

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

No. 34,261 16/93

PARIS, SATURDAY-SUNDAY, APRIL 24-25, 1993

ESTABLISHED 1887



Mounted police charging some of 10,000 anti-Yeltsin protesters at a barricade in Moscow on Friday. There were no serious clashes.

## Hinterland View: No Choice but Yeltsin

### This Time, a Russian Village Takes Its Vote Seriously

By Serge Schmemmann  
New York Times Service  
KOLTSOVO, Russia — In the old days voting was much easier in remote villages like this, the math teacher at the village school recalled.  
The Communist Party committee herded everybody together in the social hall, then everybody voted in favor of whatever the Communists wanted and went off satisfied that they had made no difference whatever.  
"Of course we still won't make any difference with our 400 votes," she said, going out at the noisy cluck of log houses squatting in the mud.  
"But now it's all so complicated," she said. "I don't much like Yeltsin or what he's done, but that Congress is a horror, a national disgrace. There's no choice, but I won't be voting for Yeltsin himself, I'll be voting for the presidency."  
That seemed about as close to a median position as could be gleaned from a visit to Koltsovo, a corner of what Russians call their "glubinka," from the word for "deep" — deep in the countryside, deep in history, deep in mud.  
But the similarity ends there. Unlike the

rituals of fealty that the old elections were, this one — however unclear the purpose and uncertain the consequences — is being viewed as a critical milestone on Russia's tortuous road.  
The referendum Sunday formally asks four questions: confidence in President Boris N. Yeltsin, confidence in his economic program, whether there should be new elections for president and whether there should be new elections for parliament.  
Although few Russians expect that the vote will lead to any immediate change, many seem to squish over the choice in a way they never have before. The black-and-white choice is gone; the wanted economic reforms have generated crime, corruption and inflation, but the Congress and its non-Russian chairman, Ruslan I. Khasbulatov, are widely held in disdain.  
"I know I have to vote, but I don't think I'll really know how to vote until I get in there," said Maria Yegorovna Laguna, a pensioner, as she bustled over a tea that accompanied Easter cake, fresh bacon, lin-

do you have confidence in the president of the Russian Federation, B. N. Yeltsin?  
Do you approve the economic program of the president of the Russian Federation, B. N. Yeltsin?  
Do you consider it necessary to hold early elections for the president of the Russian Federation?  
Do you consider it necessary to hold early elections for the members of the Russian Parliament?  
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## U.S. Aides Ask Stronger Action to Stop Serbs

By Michael R. Gordon  
New York Times Service  
WASHINGTON — In an unusual revolt against U.S. policy in the Balkans, the State Department's top experts on the Balkans have sent Secretary of State Warren M. Christopher an impassioned letter that calls Western diplomacy a failure and recommends military action against the Serbs.  
The experts, career diplomats serving in Washington, said in a petition to Mr. Christopher that the United States had a moral obligation to save the Muslims from "genocide" at the hands of Serbian nationalist forces in Bosnia.  
"We are only attempting to end the genocide through political and economic pressures such as sanctions and intense diplomatic engagement," the letter said. "In effect, the result of this course has been Western capitulation to Serbian aggression."  
Senior administration officials also said that the U.S. representative at the United Nations, Madeleine K. Albright, had sent the White House a memorandum urging air strikes to protect the predominantly Muslim towns and cities under siege in Bosnia.  
If the European nations decline to take part, Mrs. Albright says, the United States should act on its own under existing UN authority. "We should not turn our backs on our international responsibilities," she wrote.  
In his news conference Friday, Mr. Clinton refused to comment on reports that he had received such a plea from Mrs. Albright, but he said that he was keeping all options for action open short of sending U.S. ground troops into combat. Reuters reported.  
Taken together, Mrs. Albright's memorandum and the petition by the State Department experts provided a dramatic look at the internal debate in the administration.  
The diplomats who appealed to Mr. Christopher included the desk officers responsible for virtually every Balkan country. They are the sort of career officials who normally labor far from public view.  
Mr. Christopher, who has been cautious in his public comments about military action, met with the State Department specialists on Monday, officials said.  
Asked about Mr. Christopher's view of the meeting, a senior administration official, who asked not to be identified, said: "Several Foreign Service officers who worked in the area asked to see the secretary. He found the exchange helpful and timely given that the administration is reviewing its options with respect to the former Yugoslavia. This secretary of state does not consider such sessions a revolt against policy; he considers it a healthy part of the policy-making process."  
In her memorandum to the White House, Mrs. Albright argued that Western air attacks would reduce the military threat to the relief effort, slow the supply of arms from Serbia to the Bosnian Serbs, and demonstrate American resolve.  
While President Bill Clinton has said that he is not prepared to act unilaterally, Mrs. Albright argued in her memorandum that the United States already had sufficient authority under the UN Charter and the Security Council resolution authorizing "all measures necessary" to deliver relief aid.  
The drafter of the petition reportedly was Marshall Harris, the Bosnia desk officer.  
"It means the frustration level is high enough for them to undertake the somewhat risky task of going around the normal hierarchy and stating their dissent," said a department official who was not among the petitioners.  
There are few people in State who believe the current policy is useful, consistent with our values, or has any prospect of success," the official said.  
Mr. Clinton has been consulting with European allies over a range of options in the Balkan

## Clinton Shies From Solo Intervention In Bosnia

He Bars Ground Option And Hopes for Allied Action With Europeans  
Compiled by Our Staff From Dispatches  
WASHINGTON — President Bill Clinton said Friday that the United States should not intervene unilaterally in Bosnia but that he still hoped for European support in action that could include air strikes against Bosnian Serbian positions.  
Calling it "the most difficult foreign policy problem we face," Mr. Clinton made clear at a news conference that he would not yield to mounting pressures for swift, solo U.S. military action to rescue Bosnian Muslims from "ethnic cleansing" attacks if the allies will not join in.  
"I do not think we should act alone, unilaterally, nor do I think we will have to," he said at a press conference that ranged over many topics but returned repeatedly to Bosnia.  
"I can tell you that the other nations are genuinely reassessing their positions and I would not rule out the fact that we could reach an agreement for concerted action that goes beyond where we have been."  
Mr. Clinton, speaking against a backdrop of rising complaints within the administration and Congress that the U.S. policy mix of diplomatic and economic pressures were inadequate, said he had not ruled out "any option for action," except combat intervention by U.S. ground troops.  
The president noted that he had been reviewing U.S. policy in Bosnia for the last week, including consultations with NATO allies. U.S. officials say that Britain, France and other countries are reluctant to be drawn deeper into Bosnia's ethnic strife and some senior aides are reportedly urging Mr. Clinton to go it alone if need be.  
"We are reviewing other options," he said. "I think we should act. The United States should lead."  
He mentioned air strikes on Bosnian Serb positions as well as exempting Bosnian Muslims from an arms embargo so they might better defend themselves.  
He noted the disadvantages of each, saying air strikes must have a "clearly defined objective" and clear limits, while arms supplies might only serve to increase bloodshed and postpone peace.  
"This is clearly the most difficult foreign policy problem we face and that of all our allies face," he said.  
Mr. Clinton spent much time ruminating philosophically over the tight-wire complexities and dangers of this foreign challenge.  
"I said that the principle of 'ethnic cleansing' is something we ought to stand up against," he said. But, he added, that did not mean that the United States or the United Nations "can enter a war in effect to redraw" the "geographical lines" in the former Yugoslavia, "or that that would ultimately be successful."  
"I think what the United States has to do is figure out if there is some way — consistent with forcing the people to resolve their own difficulties — that we can stand up to and stop ethnic cleansing," he said.  
Mr. Clinton also said that the U.S. role must be "clearly defined," and the United States should not become a "partisan" for one side or the other.  
He received a fresh statement of support from the Senate Republican leader, Bob Dole of Kansas, who has stymied Mr. Clinton politically on domestic spending issues but backs him in this crisis.  
"I think the least we can do unilaterally is to lift the arms embargo," Mr. Dole said in a CNN television interview immediately after Mr. Clinton's news conference. "I do think we should work with NATO allies before we start any air strikes, but I do support air strikes."  
A bipartisan group of 46 House members, in a letter to Mr. Clinton on Friday, urged him to arm Bosnia's Muslims and open U.S.-led

## As Drought Ebbs, So Does Southeast Africa's Panic

By Donatella Lorch  
New York Times Service  
RUZANI, Zimbabwe — After the worst drought this century ravaged much of southeastern Africa, the first rains began to fall here in November. Nzombe Munyoro and his wife were so happy they just stood in their empty, parched fields and let the water soak them. And when month after month the rains kept coming, the 54-year-old farmer, who had lost his 18 head of cattle to starvation and had not even seen seeds sprout in his fields for more than a year, planted maize and cotton and watched it grow, finally convinced his family would survive.  
In Zimbabwe, one of the countries hardest hit by the

drought, the advent of this year's wet season brought more than just a sigh of relief from farmers, cattle ranchers, business owners and government officials. After the yearlong drought, which required the importation of millions of tons of food for most of eastern and southern Africa, the rain in this largely agricultural country was greeted almost as a miracle, a reprieve from the brink of disaster.  
Where last year not even grass grew, the rains have coated the countryside here emerald, and filled the rivers and lakes. In this flat land studded with smooth boulders, green maize once again shoulders tawny grain, and farmers can be seen in their fields cutting and stacking tobacco.

For the region, where an estimated 120 million people were affected by the drought, the rains are a new lease on life. The members of the Southern African Development Community — Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe — expect an aggregate cereal production of 11.39 million tons this year compared with 5.9 million tons last year. But the region will still need to import 2.6 million tons of cereals through the planting and harvesting seasons this autumn and next spring, the latest report indicates.  
Still, even countries where civil war has created or exacerbated

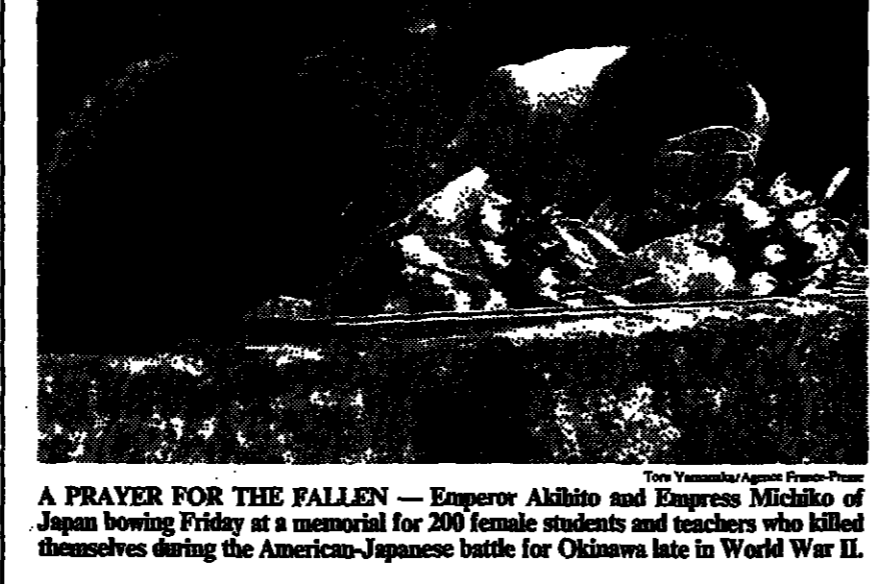
### Russia Chooses

1 Do you have confidence in the president of the Russian Federation, B. N. Yeltsin?  
2 Do you approve the economic program of the president of the Russian Federation, B. N. Yeltsin?  
3 Do you consider it necessary to hold early elections for the president of the Russian Federation?  
4 Do you consider it necessary to hold early elections for the members of the Russian Parliament?

## Spain Battles Market Pressure For a Devaluation of the Peseta

Compiled by Our Staff From Dispatches  
MADRID — Spain was hit by a currency crisis Friday that threatened to force a politically damaging devaluation of the peseta despite concerted intervention by several European central banks.  
The crisis — the peseta's third in seven months — could blight the Socialist government's hopes of winning re-election June 6. Traders and analysts forecast a devaluation of the currency either this weekend or next week, saying there were few other options left.  
But Prime Minister Felipe Gonzalez, speaking from Warsaw, where he is on an official visit, said that his government was "determined to maintain the peseta's parity."  
Mr. Gonzalez said the current difficulties facing the Spanish currency resulted from "political concerns, not economic" ones.  
Madrid is counting on the support of other EC central banks to help defend the peseta, he said, adding that he was "convinced that the speculation will soon ease."  
Despite intervention Friday by the Bundesbank and other European central banks, the peseta plunged to 74.10 to the Deutsche mark, down more than a penny from its close Thursday of 72.77. The 72.77 level is also the peseta's present central rate against the mark in the exchange-rate mechanism of the European Monetary System.  
"The market is so nervous, there is even some danger of the peseta being edged out of the European Monetary System altogether," said Margarita Jimenez, a foreign-exchange trader at ABN Amro in Madrid.  
"It's a particularly bad situation because the Bundesbank has cut rates, the European currency mechanism is basically stable — it is

really Spain's problem," said Jaime de Pinies, chief economist at Banco Santander de Negocios in Madrid.  
Indeed, while Germany cut interest rates on Thursday — and was quickly followed by France, the Netherlands, Belgium and Denmark, considered the core nations of the exchange-rate mechanism — Spain was forced to raise them. The Bank of Spain increased short-term rates by a percentage point, to 15 percent, in an effort to defend the currency.  
"What really sparked the selling was that after the rise in the daily Spanish repo rate yesterday and a cut in the German discount rate, the peseta still ended lower against the mark on the day," said Jouni Kokko, an economist at S.G. Warburg.  
Higher interest rates generally attract investors to a currency, since the returns are higher. When this failed to happen with the peseta, Mr. Kokko said, it "made people focus on the underlying problems facing Spain and the peseta and realize it was not just ERM instability per se."  
Making matters worse, on Friday, "the Bank of Spain seemed to give in to the market by not defending the central rate and that scared a lot of big investors," said Mr. Kokko. This happened because the currency would move out of the Italian lira and the British pound, which exited in September amid currency turmoil and intense speculation.  
Not all analysts believed a devaluation was imminent, however. A senior EC monetary official said that the Spanish economy was not in such dire straits that a devaluation was needed. "From the economic point of view a new deval-



A PRAYER FOR THE FALLEN — Emperor Akihito and Empress Michiko of Japan bowing Friday at a memorial for 200 female students and teachers who killed themselves during the American-Japanese battle for Okinawa late in World War II.

By Lynda Richardson  
New York Times Service  
NEW YORK — Shortly after 10 o'clock on a recent morning, a white-and-blue tour bus lumbered up to Caffè Lucca, a popular coffeehouse in Greenwich Village, and disgorged dozens of Portuguese tourists. More than a few of them had cigarettes dangling from their lips.  
The dimly lit café beckons New Yorkers with the promise of dark espresso and deep conversation. But it is the blue-gray haze of cigarette smoke that makes European tourists feel at home. Everybody is incessantly puffing in what seems to them, alas, the last bastion for smokers in New York City.  
"The place is full of them, and they sit and puff," Sal Moussa, the café owner, said happily over strains of Tchaikovsky.  
"The laws are different here, and they think they are stupid laws. 'Typical Americans,' they say."  
Anti-smoking fervor has left America a bewildering place indeed for a foreigner who simply takes for granted the inalienable right to light up in public.  
And there is hardly anywhere more bewildering than New York, where, if Governor Mario M. Cuomo has his way, some of the nation's toughest smoking restrictions may soon be expanded to include all restaurants and to ban cigarette advertising on billboards.  
To foreigners who retreat to the smoking zones of the city's cafés and restaurants, this anti-tobacco militancy is a peculiarly American bit of foolishness, emblematic of some flaw in the national character.  
These people are, after all, from such countries as Portugal, France and Italy, where a cigarette and a cup of coffee or a glass of wine go together like peanut butter and jelly.  
"We're so used to the habit of smoking that sometimes we feel uncomfortable in order to fulfill our needs," said Ze Cardoso, a general contractor from Lisbon, tossing back his head in a swirl of smoke at Caffè Lucca. "Europeans are very

## Kiosk Belgium Backs a Shift to Federalism

BRUSSELS (AP) — Parliament approved a revision of the constitution on Friday to turn Belgium into a federal state, granting extensive regional autonomy to Flemish and French-speaking regions.  
The 35-amendment package must now be approved by King Baudouin, King of the Belgians.  
General News  
A researcher who was the source of a POW report criticized the U.S. envoy to Hanoi. Page 5.  
Italy seeks a peerless leader whose tenure would be uncertain. Page 2.  
Business/Finance  
The U.S. pressed Japan on the trade gap. Page 13.  
Britain declared the recession over. Page 15.  
South Korea expects strong chip sales. Page 16.  
Money Report  
U.S. home loan wheezing and dealing. Page 14-15.  
Special Report  
Arts and Antiques  
The market for Chinese art is changing. Pages 7-10.

Dow Jones	TriB Index
Down 15.40	Up 0.01%
3,413.77	89.18

The Dollar	Fd. close	previous close
Dfl	1.5637	1.5695
Pound	1.5745	1.557
Yen	110.73	109.90
Ffr	5.348	5.39

## Europeans Find Hot Air in U.S., but Not Enough Smoke

See SMOKE, Page 6

# Italy Starts Hunting For Peerless Leader - Tenure Uncertain

By Alan Cowell  
New York Times Service  
ROME — As he began casting around on Friday for a new government to guide Italy to its uncharted future, President Oscar Luigi Scalfaro found himself seeking particular credentials. Wanted, an ad might read: people of caliber to oversee national restoration project, clean personal habits essential, tenure uncertain.

The successful candidate in this case, will take over a land midway between the discreditation of its political old guard and under pressure from its people to formulate new political ways after decades of corruption and misrule.

And the winner will have to work with politicians divided between those who see change as life-threatening and those who sense in it their call to greatness.

The search centers on the quest for a prime minister to take over from Giuliano Amato, who finally resigned Thursday after nine crisis-ridden months in office and three days after a referendum endorsed proposals for a change.

The job, though, does not offer long-term prospects: the successful candidate will be charged principally with overseeing the enactment of legislation leading to new elections, possibly as early as the autumn, possibly as late as next spring.

"The longer it takes to have a new electoral law, the more parliament risks a further, progressive delegitimation," said Giuliano Urbani, an author and professor of political sciences at Milan's Bicocca University. "That is why it is really urgent to enact new electoral laws for both the upper and lower houses of Parliament and have elections, maybe in October."

Neither is the job risk-free. Both of the parties that benefited most from the referendum — the insurgent Northern League of Umberto Bossi and the former Communist Democratic Party of the Left, led by Achille Occhetto — are reluctant to get too closely involved in a transitional regime with roots in the old order while they cast themselves as champions of the new.

As things stood Friday, two of the front-runners for the job were Giorgio Napolitano, speaker of the lower house, and Giovanni Spadolini, speaker of the Senate. At stake for them is the prize of running what Italians call an "institutional government" meaning a provisional regime run by the speaker of either house with Parliament's support — a constitutional notion devised for difficult times.

Mr. Scalfaro surveys the field, however, no single candidate is obviously equipped for the job. Mr. Napolitano, for instance, is a former Communist and draws fire from some in the divided Christian Democrats, simply because. Communist and Christian Democrats spent the Cold War reviling each other in public.

Mr. Spadolini, from the small

Republican Party, is a former prime minister, and may therefore be considered too emblematic of the past. Other candidates include Mr. Amato himself, even though, having just left office, he is identified with the very order that Italians just repudiated.

Then there is Mario Segni, the maverick Christian Democrat who split his party and then left it last month, declaring it had opened "the doors of the republic to the Mafia." He was the main driving force behind the April 18-19 referendum, and thus for him the 82.7 percent vote in favor of political change amounted to a personal endorsement.

"If they call me, I could not say no," he said. "It would be an irresponsible gesture to hold back. But I don't consider myself a candidate." At 53, Mr. Segni is younger than Italy's departing rulers and, some Italians believe, has yet to prove himself as a personality of durable standing.

# U.S. Holocaust Museum Reopens German Wounds

By Rick Atkinson  
Washington Post Service

BERLIN — The dedication of the U.S. Holocaust Museum drew only a muted reaction from official Germany on Friday, but the event has touched off another round of debate in the German press over whether the country has adequately faced its past.

Spokesmen for the Foreign Ministry and the speaker's office in Bonn declared themselves satisfied with the ceremonies in Washington on Thursday night, despite the invitation by President Bill Clinton of any reference to postwar Germany's adherence to peaceful democratic values.

"The overriding impression is that the museum project is very impressive," said Hans Schumacher, spokesman for Foreign Minister Klaus Kinkel, who led Bonn's delegation to the ceremony. "The meaning of the Holocaust has been burned into the memory of people without directing them against Germany."

Sensitive to criticism that neither the German head of state, President Richard von Weizsäcker, nor the head of government, Chancellor Helmut Kohl, attended the dedi-

cation, a senior chancellery official noted that Mr. Kohl had visited the museum privately during a trip to Washington in March and that Mr. Weizsäcker would do so next month.

Bonn has accepted that the museum will not, contrary to the desire of many Germans, provide an auxiliary exhibit on the achievements of postwar Germany to counterbalance the horrific portrait of National Socialism from 1933 to 1945.

"We had concerns that a person visiting a museum which reflects only the Nazi times could raise the question of why the United States is in an alliance with such a country," the chancellery official said. "We respect the decision that was made to build the museum as it was built. But this doesn't mean that we wouldn't have liked to see it done a little differently."

In one of the few public comments by German officials on the museum, Mr. Kohl said, "We are filled with shame when we consider what a terrible thing happened to the Jewish people in the name of Germany." He added, "I think we have done our share, at those concentration camps which

were in Germany, to honor the dead with appropriate dignity."

Some commentators, however, appeared less certain. As often happens when events abroad provoke German contemplation of the Third Reich, the new museum has stirred self-reproach, debate and resentment.

A common theme in newspaper articles and television commentary has been the question of whether such a museum should exist on German soil. As Mr. Kohl noted, former death camps such as Bergen-Belsen and Dachau have been preserved as memorials, and other tributes to the victims of the Nazis have been erected.

But there is no central, national repository, an observation made at the end of a report from Washington on Thursday night on the ARD public television network. "Remembrance of the Holocaust in the U.S.A.," the anchorwoman Sabine Christiansen noted. "Mind you, not in Germany, not in a German museum of this kind."

Among other comments was an editorial on Friday in the Westdeutsche Allgemeine Zeitung, which said, "It's a cause for bitter reflection that a museum for the remem-



TOO DISCONCERTING FOR MAJOR — Prime Minister John Major of Britain plugging his ears on Friday as an jet aircraft flew overhead while he was inspecting a Tornado fighter at British Aerospace PLC's factory in Merton, in northwest England.

# Should Talks Go On? Palestinians in Discord

By Joel Greenberg  
New York Times Service

BETHLEHEM, Israeli-Occupied West Bank — Trudging back from an army checkpoint that had blocked his way to Jerusalem, Khaled Taraya said Palestinian leaders had no mandate from the people when they agreed this week to return to the Middle East peace talks.

"This was not a decision for the Palestinian delegation to make, but for the Palestinian people, who are suffering under this siege," he said, referring to an Israeli-imposed closing of the occupied territories that prevents 1.8 million Palestinians from entering Israel and East Jerusalem.

More than 100,000 Arab workers have been unable to reach their jobs in Israel since the West Bank and Gaza Strip were sealed off more than three weeks ago.

For Mr. Taraya and others who were stopped at the roadblock, the closing and the continued exile of nearly 400 Palestinians deported by Israel to Lebanon in December

are huge obstacles to a resumption of the talks.

Palestinian delegates broke off the talks when the Islamic militants were expelled, saying the negotiations could only continue after the deportees were returned.

# Japanese Police In Cambodia to Remain Unarmed

By Reuters

TOKYO — Japanese civilian police serving in UN peacekeeping operations in Cambodia will remain unarmed despite increasing violence, the Foreign Ministry said Friday.

The legislator, Heinrich Lummer, accused U.S. Jews of fostering a "Holocaust industry" with projects like the new museum. "It becomes unbearable when the memory of the Holocaust is commercialized," he said. "Unfortunately this development is under way in the United States. More and more observers already talk about the creation of a Holocaust industry."

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# Peres Angers Settlers

By Reuters

Foreign Minister Shimon Peres angered Jewish settlers Friday by backing the establishment of a Palestinian police force in the occupied territories, Reuters reported from Jerusalem.

Mr. Peres said he could foresee the creation of such a police force even before agreement is reached on a five-year period of Palestinian limited self-rule.

Imprimé par Offprint, 73 rue de l'Évangile, 75018 Paris.

# WORLD BRIEFS

## China Warns U.S. on Trade Status

BEIJING (Bloomberg) — China would retaliate if the United States attached conditions on China's most-favored-nation trade status, a senior Chinese trade official said Friday. Legislation has been reintroduced in the U.S. Senate that would demand China make "significant progress" in human rights, free trade, and other areas to gain renewal of its favored trade status in June 1994. "Of course we shall refuse to accept any MFN status with conditions attached," said an official of the Ministry of Foreign Trade and Economic Cooperation.

## TB Is Declared a Global Emergency

LONDON (Reuters) — The World Health Organization declared tuberculosis a global emergency on Friday, saying the disease would claim more than 30 million lives in the next decade unless immediate action was taken. "Tuberculosis today is humanity's greatest killer and it is out of control in many parts of the world," said Arati Kocbi, manager of WHO's tuberculosis program, in announcing a plan to fight what has been called the forgotten epidemic. "The disease, preventable and treatable, has been grossly neglected and no country is immune to it." Tuberculosis is spreading worldwide because of the emergence of drug-resistant strains, changing research priorities and an inability of AIDS patients to fight the illness.

## Cancer Rise Traced to Chernobyl

GENEVA (Reuters) — The Chernobyl nuclear accident caused cases of thyroid cancer among children in Belarus to increase more than 20-fold, the World Health Organization said Friday. But, in a statement marking the seventh anniversary next Monday of the world's worst nuclear accident, the UN agency said the number of cases of radiation-triggered leukemia in Belarus, Ukraine or Russia had not so far risen. Nearly 5 million people live in areas of the three republics most heavily contaminated by radiation after the 1986 fire at the Chernobyl nuclear power station, WHO said. Dr. Nikolai Napalkov, WHO assistant director-general, said it would be several decades before the full effects would be known.

## Demirel to Seek Turkish Presidency

ANKARA (Reuters) — Prime Minister Suleyman Demirel entered the race to succeed Turgut Ozal as president Friday as the candidate of the True Path Party. Mr. Demirel, 68, has headed a coalition government with the Social Democrat Populist Party since November 1991, his seventh time as head of government in three decades in politics. Turkish newspapers have indicated that Mr. Demirel is a favorite to replace Mr. Ozal, who collapsed and died April 17.

## Correction

The economics minister of Germany was incorrectly identified in Friday's edition of the International Herald Tribune. He is Günter Reber.

## TRAVEL UPDATE

Portugal will impose tougher penalties for traffic offenses in an effort to reduce its accident rate. The government said fines would be increased and legislation introduced to allow the suspension or withdrawal of driver's licenses. About 2,500 people die on the roads in Portugal annually. (Reuters)

Ab-India flight engineers ended a strike Friday after the government agreed to some of its demands, the Civil Aviation Ministry said in New Delhi. The stoppage, which began Feb. 27, had paralyzed 80 percent of the state-owned carrier's overseas services after the 70 flight engineers demanded benefits equal to those given to pilots. No details of the settlement were given. (Reuters)

Japan's lower house has approved a bill designating June 9 a national holiday to celebrate the wedding of Crown Prince Naruhito and Masako Owada, a former career diplomat. The June holiday will occur only this year. (AP)

## Old Form of Democracy Faces a New Swiss Test

By Robert L. Kroon  
International Herald Tribune

HUNDWIL, Switzerland — In a spring ritual dating from the Middle Ages, thousands of citizens of the half-canton of Appenzel Auser-Rhoden will congregate in the village square here Sunday for the election of new cantonal administrators and judges by a public show of hands. But the main issue before this year's Landsgemeinde, or open-air parliament, is a proposal to abolish this original form of "direct democracy," which some contend has become unwieldy and "less authentic" since the half-canton's women were enfranchised in 1990.

The all-male electorate grudgingly accepted that novelty with the proviso that the open-air legislature could vote itself out of existence in 1995 if things did not work out. The outgoing cantonal administrator, Hans Hösener, and his proposed successor, Hansruedi Fichtl, are both confident the Landsgemeinde is here to stay. The canton's administrative council also voted, 43 to 11, to maintain the open-air legislature. But a nonparty coalition of male chauvinists and modernists contends the secret ballot box system is far more democratic than an open-air congress of 4,000 to 7,000 elibi-

But old habits die hard in the fabled of this Swiss heartland, where suffragettes not long ago were ridiculed as unfit to raise children or run households. To cattails from Swiss spotters from other cantons, one male speaker at a 1989 Landsgemeinde said mothers here had long enjoyed the "noblest of rights, to raise their children in the faith."

"We don't want our women to rush home from a government job at noon, with barely enough time to prepare the soup."

Appenzel Auser-Rhoden is only 70 kilometers (45 miles) from metropolitan Zurich, but it remains a relic of the past. Pollution, traffic jams, drugs and atheism are somehow kept outside the half-canton's confines. Until 1990 it was also Europe's last holdout against the vote for women. That distinction is now part of history.

## F-4 Crash in Canada Kills 2

The Associated Press  
GOOSE BAY, Newfoundland — A German military F-4 Phantom fighter jet crashed on a runway at the Canadian Forces base at Goose Bay and exploded on impact Thursday, killing the two crew members aboard.

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# FIRST 100 DAYS / FILLING CHAIRS

## ★ POLITICAL NOTES ★

### Bush Service Group Thrives Under Clinton

WASHINGTON — President George Bush's beloved points of light did not all go out when he did.

In fact, the nonpartisan Point's of Light Foundation, which embodied Mr. Bush's national service campaign, has expanded and is developing a working relationship with the Clinton administration. "The foundation continues to grow and flourish," said Barbara Lohman, vice president of communications for the organization.

The foundation's work has become part of President Bill Clinton's own national service initiative. Mr. Clinton gave the group a lift earlier this month when he proposed in his 1994 budget to continue federal financing for the organization at \$5 million, the same level as in the current fiscal year.

"We have worked closely with them," Eli Segal, director of the White House Office of National Service, said of the foundation. Mr. Segal noted that a staff member from the foundation was recently assigned to assist his office in carrying out Mr. Clinton's summer service program.

This program will send people 17 to 25 years old into communities around the country to work with youths who are socially and economically disadvantaged. (NTT)

### A Clinton Letter for Gay Rights Marchers

WASHINGTON — President Clinton will address homosexual rights marchers on Sunday in a letter.

The letter, which has yet to be drafted, will be read to the crowd by Representative Nancy Pelosi, Democrat of California, said the White House press secretary, Dee Dee Myers.

March organizers predict that more than one million people would join the demonstration, urging action on a range of male and female homosexual issues, including legal protection against discrimination and an end to the military's ban on homosexuals.

Although organizers insist that politicians friendly to the homosexual cause have not intentionally headed out of town for the weekend, the list of those scheduled to take part in the march and rally is rather short. In addition to Representative Pelosi, it includes the mayors of New York and Washington, Representative Patricia Schroeder, Democrat of Colorado, and Congress's two openly gay members, the Massachusetts Democrats Barney Frank and Gerry Studds.

The president will be out of town for the weekend. Ms. Myers denied that he was leaving Washington to avoid addressing the marchers in person. (AP, LAT)

### Baird Is Named to Intelligence Panel

WASHINGTON — President Clinton has named Zoë Baird to an intelligence advisory board because "she's competent and qualified," even though she has no expertise on intelligence matters, the White House said Friday.

Ms. Baird, a corporate lawyer, will serve on the President's Foreign Intelligence Advisory Board, a 12-member panel headed by retired Admiral William J. Crowe, the White House said. The advisory panel meets every two months to assess the quality and accuracy of U.S. intelligence collection and analysis.

The position does not require Senate confirmation.

Ms. Baird, general counsel at Aetna Life & Casualty Co. in Hartford, Connecticut, withdrew as Mr. Clinton's attorney general-designate in January in a controversy over her hiring of undocumented immigrants as household workers. (AP)

### Quote/Unquote

President Clinton: "I basically feel very good as to what has happened in the first 100 days with regard to Congress." (AP)

## President Admits He 'Misgauged' Opposition

By Jerry Knight

WASHINGTON — President Bill Clinton brushed aside suggestions Friday that the demise of his economic stimulus plan was a major political setback, but acknowledged that he had "misgauged" Republican opposition to the bill.

"We're moving in the right direction," Mr. Clinton said at a White House news conference. He said he regretted that the \$16.3 billion stimulus package had not passed, but noted that passage of his budget framework had driven down interest rates and would send "tens of billions of dollars coursing throughout this economy in ways that are very, very good for the country."

Senate leaders this week abandoned efforts to enact Mr. Clinton's stimulus bill after failing to crack a Republican filibuster. The House voted 301 to 114, on Thursday, to give final congressional approval to a \$4 billion extension of unemployment benefits, the only remnant of the package that survived the filibuster.

He said he hoped he could "learn something" from the defeat of the stimulus plan. "I've just been here 90 days. It takes time to change things."

Mr. Clinton said he had misjudged Republican opposition to the stimulus bill because many of those who fought his plan had backed a similar initiative from President Ronald Reagan in the early 1980s.

But he played down the overall significance of the defeat, saying: "I'd like to put it in a larger context and remind you that in this 100 days, we have already fundamentally changed the direction of American government."

"We have abandoned trickle-down economics, we have abandoned the policies that brought the debt of this country from \$1 trillion to \$4 trillion in only a decade."

### Democrat Vow Fight

Steven Mufson and Eric Pianin of The Washington Post reported earlier.

The White House and Democratic leaders vowed another attempt at passing jobs initiatives, perhaps by resubmitting fragments, such as summer jobs and child immunizations, from the \$16.3 billion package that was blocked by Republicans.

"We will continue to fight to allow the American people to get what they asked for in 1992," the House Democratic leader, Richard A. Gephardt of Missouri, told his Democratic colleagues. "Be ready to come back here in a few weeks and vote on some version of this program. We've got to give jobs to the American people."

The Office of Management and Budget director, Leon E. Panetta, said a new measure could be submitted in as little as two weeks. "It depends on consultations with the House and Senate," he said, "but it has to be sooner rather than later if you want to produce summer jobs."

Mr. Panetta said Mr. Clinton was determined to try again.

Administration officials were considering other measures, such as national service or campaign finance reform, that they might try to introduce before the end of Mr. Clinton's first 100 days in office to restore a sense of momentum.

But these developments were overshadowed by worries about whether the larger 1993 budget package would start to unravel. The economy was the most important issue in the campaign, and Mr. Clinton's economic package — with tax increases, military cuts, new spending initiatives and deficit reduction — remains the main issue on his agenda.

## Lack of Clinton Appointees Is Beginning to Hurt

By Jerry Knight

WASHINGTON — At the headquarters of the Office of Thrift Supervision, officials are making decisions about shutting sick savings and loan companies that could cost the taxpayers billions of dollars — but not one of the officials was appointed by President Bill Clinton.

At the Securities and Exchange Commission, four commissioners named by President George Bush decided this month to reduce government controls over the sales of mutual funds and are moving forward with other policy initiatives.

At the Commodity Futures Trading Commission, where two of the five seats are vacant, two Bush appointees cast votes last week that exempted from federal oversight the \$5-trillion-a-year market in exotic financial transactions known as energy derivative contracts.

Six months after the election and going on 100 days after Mr. Clinton was sworn in, Mr. Bush's people still mind the store at most of the federal agencies that oversee the nation's financial system.

Congressional Democrats are frustrated because they have been waiting 12 years to get control of these agencies, and the Republicans are still calling the shots. "It's to the point of embarrassment," said the top aide to a powerful congressional Democrat.

At the SEC, the Commodity Futures Trading Commission, and the Federal Deposit Insurance Corp., the only Clinton appointees are temporary liaisons who take notes while the Republican holdovers and professional bureaucrats make policy. At the Office of Thrift Supervision and the National Credit Union Administration, there is not even a liaison.

The president has the power to fill 55 top jobs in the financial regulatory agencies, but only six appointments have been sent to the Senate Banking Committee for confirmation hearings.

Only the Office of the Comptroller of the Currency, the agency that regulates federally chartered banks, and the Pension Benefits Guaranty Corp., an operating unit of the leadership of a chief appointed by Mr. Clinton and confirmed by the Senate.

Across the government, about 800 of the 3,300 presidential appointments have been made, the White House communications director, George Stephanopoulos, reported last week. He acknowledged that the process had been slowed by a commitment to appoint a government that "looks like America" and by the requirements of

tougher ethics laws and the dispute over Zoë Baird's baby-sitter.

"He is ahead of Bush, but he's clearly behind Reagan and Carter," said James Pfiffner, a George Mason University political scientist who studies the presidency.

Mr. Bush, moreover, was merely replacing one team of Republicans with another, so his appointments had relatively little implication for the policies of regulatory agencies.

Historically, presidents have generally been slower in filling jobs in regulatory agencies than in cabinet departments.

Mr. Pfiffner said the failure to fill regulatory jobs affects more than just broad policy decisions. "The career people have the smarts and the numbers, but they are hesitant to make some decisions, and eventually get out of there," he said. "They've lived through transitions before when the new administration comes in and wants to change direction and they're out on a limb and get cut off."

Congressional Democrats generally are reluctant to criticize Mr. Clinton for moving too slowly, saying the issue is not when the White House makes its choices but the people it picks. "If they spend a little extra time and get the right people, that will overcome the cost of delay," said the top aide to one influential lawmaker.

Privately, though, Democratic staff members say there is growing frustration about the pace of appointments. "You ought to hear what my boss says about the White House," said a veteran Democratic staff member on a committee responsible for financial regulation.

More plaintive concerns come from inside the leaderless agencies.

"Morale is declining every day," lamented a nine-year veteran of the Office of Thrift Supervision. "There is not a single person working in the building who was appointed by President Clinton."

He said the lack of leadership at the agency was particularly crucial now because it must decide how many failing savings and loans will be shut before Sept. 30, the deadline for completing the S&L cleanup.

At least 30 more thrifts are in such bad shape that they will have to be taken over by the government, the official said, but other 50 institutions are "judgment calls" whose future depends on criteria now being drafted.

Those marginal S&Ls have almost \$40 billion in assets. If the government decides they must be closed, it will add billions to the cost of the S&L cleanup.

## Bodies Are Examined to Find How Cultists Died

Compiled by Our Staff From Dispatches

WACO, Texas — Medical officials began their examination of the remains of cult members on Friday, but the procedures were not expected to resolve the debate over whether some of the victims had been shot before or during the fire that engulfed the cult's compound.

FBI officials have asserted that some members of the Branch Davidians sect were shot by other members before or during the fire. Many of the 46 bodies that have been recovered were to be X-rayed on Friday. But Darrell Thompson, of the Tarrant County medical examiner's office, cautioned that the tests would not prove or disprove the officials' assertions.

"They will not show whether there were bullet holes, just if there are metallic objects in the bodies," he said. "The metal could be a bullet or a fracture from a bullet, but it also could be any type of foreign object."

Dr. Nizam Peerwani, the medical examiner, asked about the assertions that some cultists had been shot, said that there was "absolutely no evidence of that as far as we are concerned at this stage."

A total of 86 people, including the cult leader David Koresh and 17 young children, were believed to have been killed when the cult's compound went up in flames on Monday after federal agents in armored vehicles punched holes in its walls and pumped in tear gas.

Trained dogs were brought in Friday to help in the search for the bodies of 40 more cult members.

Most of the 46 bodies already removed were transported to the medical examiner's office in Fort Worth for the autopsies and X-rays, the Texas Department of Public Safety said.

More than a million rounds of ammunition stockpiled by Mr. Koresh and his followers complicated the task of finding the re-



Investigators looking over the remains of victims on the roof of a bunker that remained after the fire at the cult compound near Waco.

mans of those who were killed when fire razed the camp.

The FBI says cult members started the blaze; several of the nine surviving members said the fire started when an FBI tank crushed a propane tank and knocked over camping lanterns.

In Washington, President Bill Clinton said Friday that he still believed that Mr. Koresh, and not the government, was responsible for the deaths at the compound.

"The main offender there was David Koresh," Mr. Clinton said at a White House news conference. "I don't think the U.S. government was responsible for the fact that a bunch of fanatics decided to kill themselves. And I'm sorry that they killed their children."

Mr. Clinton repeated his view that Mr. Koresh had sexually molested young girls in the compound. "We know that David Koresh had sex with children. I think that is undisputed, is it not? Where I come from that qualifies as child abuse," he said.

One survivor said a companion was shot, and that people were trapped inside the compound by their barricades and the FBI vehicles, a British newspaper reported Friday.

"Most of my friends died in the fire," The Sun newspaper quoted Derek Lovelock as saying. "I believe some of them could have got out but were prevented."

He was also quoted as saying he stumbled over the body of a cult member just before he made his escape. "He had been shot," he said. "It could only have happened in the compound."

Other survivors described Mr. Koresh looking around the compound as the tear gas was pumped in, making sure that women and children were secure and checking their gas masks.

Lawyers who spoke with six survivors were told that cult members kept to their daily routines, staying where they were, scattered throughout the house, as the tear gas entered. The 17 children remained on the second floor near their mothers.

According to the survivors' accounts, the government's action only strengthened their resolve not to leave.

Then the FBI sent in its biggest weapon, a massive tank larger than the others that took out everything in its path, according to the accounts.

The six survivors, in separate discussions with lawyers, said the tank crushed a propane container, and as it went through the house, tipped over its camping lanterns, spitting flames that ignited the propane.

Court affidavits show that Mr. Koresh was able to amass an arsenal of automatic weapons and explosives by buying parts from out-of-state dealers who are barred by federal law from shipping assembled guns across state lines.

According to the court papers, Mr. Koresh bought nearly \$200,000 worth of weapons, gun parts and other components last year to assemble an arsenal that included more than 200 rifles, 60 handguns, hand grenades and a 50-caliber gun that officials say had an effective range of 3 kilometers (1.7 miles). (UPI, AP, Reuters)

## Virginia Faculty Rejects Ban On Extracurricular Romance

CHARLOTTESVILLE, Virginia — The University of Virginia faculty has rejected a proposal that would have banned romance between professors and undergraduates, and instead voted to ban relationships only between professors and the students they supervise.

The proposed ban, which must be approved by the university president, would forbid professors and graduate teaching assistants from amorous or sexual relationships or overtures involving students whom they teach, coach, evaluate or to whom they allocate money.

The measure, which was adopted Thursday on a vote of 31 to 4, was similar to rules approved at several other universities in recent years.

Sarah Alexander, a junior from Reston, Virginia, who is majoring in women's studies, said 35 students had come to her in the last few weeks with what she called horror stories about overtures by faculty members.

"This was a few professors doing a lot of damage," she said. "Now students won't have to wonder if a professor is more interested in their intellects than their bodies."

Ann J. Lane, the university's director of women's studies, had worked for more stringent rules, but said after the vote that she was satisfied with the compromise. "I feel this debate has raised the consciousness of the faculty and the students and the public."

Many professors said the original proposal, which may have been the nation's strictest code barring sexual relations between professors and students of either sex, went too far.

## Away From Politics

- Three young men convicted in the sexual assault of a mentally retarded girl were sentenced Friday in Newark, New Jersey, to up to 15 years in a youth correctional facility. Citing the defendants' youth and the likelihood that they could be rehabilitated, the judge showed leniency in directing that the sentences be served in juvenile detention although the men were convicted as adults.
- Two men have been arraigned in Miami on charges of killing a German tourist who was robbed, beaten and run over on April 2. The slaying of Barbara Moller Jensen, the seventh of a foreign tourist in Florida since October, set off a controversy over the safety of travel in the state. Not-guilty pleas were entered for the suspects, 23 and 18, who face one count each of first-degree murder and robbery.
- A fire swept through a row house in Baltimore, killing five girls, aged 2 to 6, before spreading to three other homes. The girls' mother and four other children escaped the blaze, which the authorities said began when the family tried to light the furnace on a chilly morning.
- U.S. doctors performed 349,800 unnecessary Caesarean sections in 1991 at a cost of more than \$1 billion, the government says. The Centers for Disease Control and Prevention said the United States had 23.5 Caesareans for every 100 births, unchanged from 1990.
- A man who allegedly overrode his pit-bull terrier to attack his wife was indicted on a murder charge in a Cleveland case investigated by a homicide detective and an animal expert. Jeffrey Mann, 36, is charged with entering the 70-pound dog to attack Angela Kaplan after they argued. He said the attack, in which his common-law wife suffered more than 100 wounds, was unprovoked.
- Two Mississippi police officers who put two Indian men in the trunk of their squad car to deliver them to the hospital have been suspended from the city police force. An Indian leader, Clyde Bellecourt, said the incident involving the pair, who apparently were drunk, was symptomatic of a "John Wayne frontier mentality about Indian people" within the police department.
- Investigators at Lucasville, Ohio, prison found the bodies of two more inmates as they began to piece together what happened in a cell block held for 11 days by rebellious maximum-security prisoners. Lawmakers ordered investigations into the siege, which left nine inmates and one guard dead.
- A German hiker missing on the North Carolina side of the Great Smoky Mountains National Park has been found after three days. Michael Turynski, 24, of Hannover, was able to hike out with rangers after being given warm clothing, food and water, a park spokesman said.
- The Nuclear Regulatory Commission said it had begun analyzing precautions to protect reactors against a truck-bomb attack like the one at the World Trade Center almost two months ago. But commission members said they were concerned that the cost would be very high at some plants.
- The extradition convictions of a former member of the House of Representatives and his wife were reversed by a U.S. appeals court in New York. It was the second time the convictions of Robert Garcia and his wife, Jane Lee, had been overturned. Mr. Garcia was first convicted in 1989 of four counts of extortion for allegedly receiving bribes in exchange of funneling military contracts to the New York-based Wedtech Corp. He served 104 days in prison before that conviction was reversed on appeal. (AP, NTT)

## Media Crank Up for the Selling of Waco

NEW YORK — The ashes are barely cool at the cult compound near Waco, Texas, where as many as 86 people died, and already there is one television drama nearing completion and two books in the works. Experts expect a flood of more films, TV dramas and books within months.

Recent real-life disasters — whether it be the bombing of the World Trade Center in New York or the public collapse of Prince Charles's marriage — have become the stuff of television docu-dramas that turn reality into marketable pseudo-fact. And the tales are pumped out within days, weeks or months of the event.

Darlene McCormick, a reporter for the daily

Waco Tribune, says that when the siege began the newswroom was flooded with calls from agents.

Later, as the standoff dragged on, "I'd start to interview someone and the person would declare they were writing a book," she said.

NBC Television has a TV drama in preparation to be broadcast on May 23. It is called, "In the Line of Duty: Ambush in Waco," and is being filmed near Tulsa, Oklahoma.

Despite the bloody end to the real-life drama, NBC says it does not plan to change its script, which concentrates on the initial Feb. 28 shoot-out at the Koresh compound in which four U.S. agents and six cult members were killed. But the network will add a postscript on how the standoff ended.

Mr. Clinton said Friday that he still believed that Mr. Koresh, and not the government, was responsible for the deaths at the compound.

## Cesar Chavez, Farm Workers' Chief, Dies

SAN LUIS, Arizona — Cesar Chavez, 66, who organized migrant farm workers and led a nationwide grape boycott in the 1960s, died Friday, the police said.

A police officer said a union official and a union attorney found Mr. Chavez in a room of a house where he was staying while in Yuma, Arizona, on business.

He said there was no indication of foul play or a struggle, and it appeared that Mr. Chavez had died in his sleep.

Praised by Senator Robert F. Kennedy in 1968 as "one of the heroic figures of our time," Mr. Chavez was constantly embroiled in labor controversy.

President of the United Farm Workers Union, he got his first taste of union organizing in 1952 with the Community Service Organization, founded by Saul Alinsky.

Ten years later, he left to start the National Farm Workers Association, the forerunner of the United Farm Workers.

Among his tactics were the grape boycotts that were a favorite liberal cause and a series of fasts including a 36-day water-only regime in 1988 that severely affected his health.

While outside interest in the farm workers ebbed in recent years, Mr. Chavez kept up his efforts.

"We get a lot of pressure," he said last year. "But we've been able to overcome all of that. Now we're going to start growing."

Mr. Chavez was born on a small farm near Yuma. His family took to the road in the Depression as migrant laborers.

Mr. Carli entered politics in 1957 when he became minister for foreign commerce, a position he held until 1958. In 1959 he became the general director of the Bank of Italy, and a year later was appointed its governor.

Theodore Cooper, 64, a scientist and former government official who headed the Upjohn Co., died Thursday in Charlottesville, Virginia, where he was being treated for bone cancer. He was a heart surgeon who served as assistant secretary of health in the Ford administration after having been director of the National Heart and Lung Institute at the National Institutes of Health.

Kikazu Saionji, 86, a former Japanese statesman who was known as a "private ambassador" for his efforts to promote friendly relations with China, died in Tokyo on Thursday. A graduate of Oxford University, he served as an adviser to Prime Minister Fumimaro Konoe from 1937 to 1941.

Edward Burk Henning, 70, the retired chief curator of modern art at the Cleveland Museum of Art, died Sunday in Cleveland Heights. He had recently suffered a stroke.

which drew up projects for the International Monetary Fund and the World Bank.

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Herald International Tribune

The Bosnia Dilemma

The feelings of moral obligation prompted by the new Holocaust Memorial Museum...

To Remind the World

The new Holocaust Memorial Museum was dedicated in Washington on Thursday...

A Greener President

President Bill Clinton's speech commemorating Earth Day caimed the jangled nerves of that day...

Other Comment

Major and Maasricht Wednesday's events in the House of Commons suggest that the weary parliamentary odyssey of Maasricht is nearing its conclusion...

First, Let the Russians Pave the Way for Western Aid

By Marshall I. Goldman

CAMBRIDGE, Massachusetts — In the West's eagerness to help Russia and Boris Yeltsin, debate seems to have focused on how we can offer more...

commercial legal codes. And now, as the Economic Commission for Europe points out, optimism is "seriously undermining the time required to build the institutional structures of a market economy..."

and indecision cause capital flight of \$15 billion to \$25 billion a year, almost enough to match the capital infusion proposed by the G-7.



have hesitated to spend moneys already authorized. Some Western advisers urge the IMF to relax its lending conditions, saying that Russia is a special case...

The Central Europeans Give Us Cause to Hope

By Stephen S. Rosenfeld

WASHINGTON — Who is not sobered and depressed by the turn that brings Bosnia to a new peak of agony just as a memorial to Hitler's destruction of European Jewry is being solemnly dedicated in Washington?

democracy and minority rights and to gain the West's attention to its particular economic circumstances. Romania's Ion Iliescu, a smooth old party man who finally fell out with the hated dictator Nicolae Ceausescu, is the kind of retooled post-Communist leader who in an interview can accept without blinking an aide's interjection of fervent and excessive old-style praise for his career.

In Belsen: A Grim Tour of Block 13

By A. M. Rosenthal

NAME? "Harold Osmond Le Drulleenc." The witness is sworn in and examined by Colonel T. M. Backhouse.

"In the beginning the work was rather interesting. We had to drag these dead bodies a certain route to what we were to find to be large burial pits. The procedure was to take some strands of humid blanket [and tie them] to the ankles and wrists of the corpses and then proceed to walk to the pits."

Clinton's 100 Days: Words and Deeds

By Jim Hoagland

WASHINGTON — America and the world have learned at least one thing from Bill Clinton's first 100 days as POTUS: That is not nearly enough time to establish uncontented leadership and enact an economic program in today's fragmenting national and international context...

lyst Daniel Yankelovich in a prescient article last fall, that continues to illuminate both what Mr. Clinton is up against, and up to, in focusing so relentlessly on the future.

sion to pursue "status quo plus" — code words for ignoring Mikhail Gorbachev. Mr. Clinton has to conduct what White House staffers call an "interests assessment" of where he could afford to put his time and energy after dealing with Russia.

Painful Lessons From Waco

By Anthony Lewis

BOSTON — "The buck stops with me," Attorney General Janet Reno said after the Waco disaster. She projected a plain, earthy responsibility that struck the right note with the public.

Yet what difference would it have made if the Koresh band stayed holed up for another six months? An even more egregious fault in planning was the failure to anticipate the possibility of mass suicide.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

- 1893: Bard's Birthday LONDON — In commemoration of Shakespeare's birthday, Stratford-on-Avon was yesterday gaily decorated with flags. An interesting ceremony was the placing of a beautiful garland of white lilies upon Shakespeare's tomb by the masters and pupils of the old grammar school where the poet received his early education. This tribute of affection for an "old boy" was suitably acknowledged by the Vicar, who spoke of the influence of Shakespeare upon all civilized nations.
1918: Off Belgian Shores LONDON — Operations on an extensive scale against Ostend and Zeebrugge, the German destroyer and submarine nests, have been carried out by British naval forces with the co-operation of French destroyers; the results were highly satisfactory. The attack was carried out under the command of Vice-Admiral Roger Keyes, commanding the Dover Force. The object was to obstruct the entrances to the two ports by sinking and blowing up land ships filled with concrete and to land a force which was to destroy the Zebrugge mole.
1943: Peaceful Landing OFF ELLICE ISLANDS IN THE SOUTH PACIFIC — [From our New York edition:] United States marines have completed the job of moving into the Ellice Islands, flanking the shipping routes between the U.S. and Australia, without firing a shot. It was simply a case of "going there first." They arrived yesterday [April 23] and met no opposition whatever in planting themselves in the midst of this group of tiny coral isles astride the International Date Line, just south of the equator and on the south flank of the Japanese-held Gilbert Islands. When the landing was over, the whole thing had had more the aspect of a travelogue in color than an act of war.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen. LEE W. HUBNER, Publisher. JOHN VINCIGUERRA, Executive Editor...

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### AMERICAN TOPICS

#### Oklahoma May Allow Judges to Carry Guns

The Oklahoma House of Representatives has passed a bill, SB-38, that will allow judges to carry pistols under their robes. The measure now goes to the state senate and the governor. With courtroom violence increasing, many judges around the United States already carry guns.

Paul Banner, a criminologist with the South Carolina Criminal Justice Academy in Columbia, who instructs court personnel throughout the country on how to improve courtroom security, said: "I've been to a lot of courtrooms, and it's not uncommon for me to see judges take off those robes and see shoulder holsters."

Within the past few months, four people, none of them judges, have been killed in courtroom shootings in California,

Texas and New York. Richard Freeman, presiding administrative judge of the state courts in Oklahoma City, said: "It's a sign of the times. There used to be respect for the law, and even criminals would not think of causing trouble in the courtroom. Those days are gone."

"It's really sad," said state Representative Bill Paulk, a Democrat from Oklahoma City, who opposes the measure. "I think we're deluded by the John Wayne macho cowboy-type image, that all we need to do is strap on a six-gun and we can handle it."

The Tulsa World newspaper agreed. "Sometimes a flake gets elected," it editorialized. "It's one thing to have a flake sitting on the bench; it's quite another to have an armed flake."

Motorists in 22 of the 50 U.S. states plan to hit the road Sunday to protest the 55 mile-per-hour (90-kilometer-per-hour) speed limit by religiously abiding by it. The protesters want to prove that the speed limit is a hindrance to drivers, who largely ignore it, according to the National Motorists Association, which claims 15,000 members. Participants will drive one behind the other at 55 on the right lane, leaving only a passing lane for other motorists. The limit is nationwide, but state legislatures can raise it to 65 on highways that meet federal standards for the higher speed.

Arthur Higbee

## Source of POW Report Assails U.S. Hanoi Envoy

By Joseph Fitchett  
*International Herald Tribune*

Backing the veracity of a recently discovered Soviet document about American prisoners of war in Vietnam, a Harvard University researcher said Friday that the presidential envoy pursuing the issue appeared unable to understand the significance of the report.

Still, he predicted, his discovery would prevent President Bill Clinton from moving to restore diplomatic relations with Vietnam until much fuller explanations have been received from Hanoi.

After meetings there this week, the presidential envoy, John W. Vessey Jr., a retired general, acknowledged that the document was not a forgery, as Vietnamese officials have alleged.

But General Vessey said the report contained inconsistencies that cast doubts on its accuracy. The document contains Soviet military intelligence that the Vietnamese authorities were holding more than 1,200 prisoners in 1972 and not 600 as they claimed.

"I'm absolutely dumbfounded by his apparent inability to understand what the document actually says," Stephen J. Morris, the researcher who obtained the file, said of General Vessey during a telephone interview from Cambridge, Massachusetts.

He charged that the general, a former head of the Joint Chiefs of Staff, seemed to have accepted official Vietnamese assertions that have been challenged by the U.S. academic community.

The primary objection to the document provided by Mr. Morris consists of a U.S.

intelligence analysts' assertion that the report discussed the total number of war prisoners held by North Vietnam, not just Americans.

But Mr. Morris said he had "not a scintilla of doubt that it is referring only to Americans."

Mr. Clinton, at a White House news conference Friday, said that the government was having the document "evaluated" as to whether it had "any basis in fact."

He said Hanoi "was more forthcoming than it had been in the past and gave us some documents that would tend to undermine the validity of the Russian document's claim."

Mr. Morris, acknowledging what he called some small inconsistencies reflecting problems in dealing with U.S. military nomenclature, said that the report showed the Viet-

namese authorities—and presumably senior military officers in Moscow—have lied consistently about the fate of missing Americans.

Although the controversy has focused on a single document, Mr. Morris said that he had read a file of related documents in Moscow showing that "Soviet military intelligence had intimate knowledge of Hanoi's policies in 1972, when the war was central to Soviet planning for summit meetings with the United States."

Mr. Morris said embarrassment was evident in Moscow when the Russian authorities fired the official in charge of the Soviet Communist Party archive where he found the document in January and closed the files to foreign researchers.

## Pentagon Report Gets Specific on Tailhook Abuses

The Associated Press

WASHINGTON — The Pentagon issued a report Friday implicating 117 officers in sexual misdeeds or improper conduct and finding that 51 had lied during in-

vestigations into behavior at a convention of military aviators in 1991.

"We sincerely regret that this incident brought such discredit on our entire service," said Admiral

Frank B. Kelso 2d, chief of naval operations, commenting on the report on the convention of the Tailhook Association, a private group of naval aviators.

President Bill Clinton pledged disciplinary action Friday against those implicated in the scandal but urged the public not to take the report as "a general indictment of the United States Navy."

what they meant by a "free-fire zone."

Of the 117 officers implicated, according to the report, 23 were determined to have participated in indecent assaults and an additional 23 in indecent exposure. The navy could not say whether all 51 accused of lying were included in the 117.

With one exception, none of the officers was named, and Admiral Kelso said he could not predict how long it would take to complete legal action against offenders.

The report chastises only one admiral by name — Vice Admiral Richard M. Dunleavy, now retired, who was then the assistant chief of naval operations for air warfare.

The report states that Admiral Dunleavy denied having observed some of the misconduct. But in an interview the next day, the admiral acknowledged that he knew of some of the activities.

"Some of the navy's most senior officers were knowledgeable as to the excesses practiced at Tailhook '91 and by their inaction, those of officers served to condone and even

## A Super-Intensive Gamma-Ray Flash Mystifies Scientists

By John Noble Wilford  
*New York Times Service*

NEW YORK — An American satellite has detected the most intense flash of gamma radiation observed in the two years of its operation, further mystifying astronomers as to the nature and origin of the extremely powerful phenomenon known as gamma-ray bursts.

Astronomers said that the burst appeared to produce 10 times more energy than any previously observed gamma-ray burst. It lasted about a second and was more than 100 times brighter at its peak than the brightest steady source of gamma rays in the Milky Way galaxy, and more than 1,000 times brighter than any other known extragalactic source.

The new findings, announced by the National Aeronautics and Space Administration in Washington, seemed to undercut previous theories to explain the bursts. They also suggested that the sources might lie far beyond the Milky Way, perhaps close to the edge of the universe, and possibly involve the accelerations of particles to velocities almost to the speed of light.

"I'm totally confounded by this incredible burst," Bruce Margon, an astrophysicist at the University of Washington in Seattle, said at the briefing Thursday. "If these bursts are inside our galaxy, they are beyond all previously recognized matter in the Milky Way. Alternatively, they may have nothing to do with our galaxy, and then we may be dealing

with things of a gargantuan luminosity at the edge of the universe."

The Jan. 31 event was one of more than 600 gamma-ray bursts that the Compton Gamma Ray Observatory has recorded since it was launched April 5, 1991. Such puzzling bursts, usually lasting no more than a second or two and never appearing in the same place twice, were first seen in the 1960s and long defied explanation. Gamma rays are at the most energetic end of the electromagnetic spectrum, beyond X-rays.

Chryssa Kaveliotou, a gamma-ray astronomer affiliated with the Marshall Space Flight Center in Huntsville, Alabama, said the seemingly uniform distribution of these bursts over space seemed to rule out the early favorite among the theories: an origin inside

the Milky Way or in a kind of halo around the galaxy.

Another theory posits that gamma-ray bursts emanate from the more distant universe, possibly the result of stars exploding or the remnants of exploded stars, known as neutron stars, colliding. But many of these models predict that the gamma rays are the thermal energy from the explosions or collisions. Yet, the radiation from the burst did not fit the thermal type, astronomers said.

"If these collisions or explosions are not the source of gamma-ray bursts, what are?" asked Gerald Fishman of the Marshall center, one of the spacecraft's principal scientists. "We don't know yet. It is possible that some new object or phenomenon is producing these bursts."

encourage the type of behavior that occurred there," the report read.

It included a variety of photographs of the "general atmosphere of debauchery" that it said took place.

It was noted in the report that there were "a number of reported instances of public or paid sex," and that in all instances the participants were willing parties.

The report also included a lengthy description of the "gamble" through which women were pushed, groped at, pinched, fondled and in some cases disrobed by drunken aviators in one of the hotel's hallways.

Eight victims were assaulted more than once, according to the report.

About 1,500 people attended the convention of aviation boosters, including 33 admirals from the active duty ranks and the reserve. The Tailhook group takes its name from the book used to brake jets landing on aircraft carriers.

A section of the report that was not made public deals with the individual cases.

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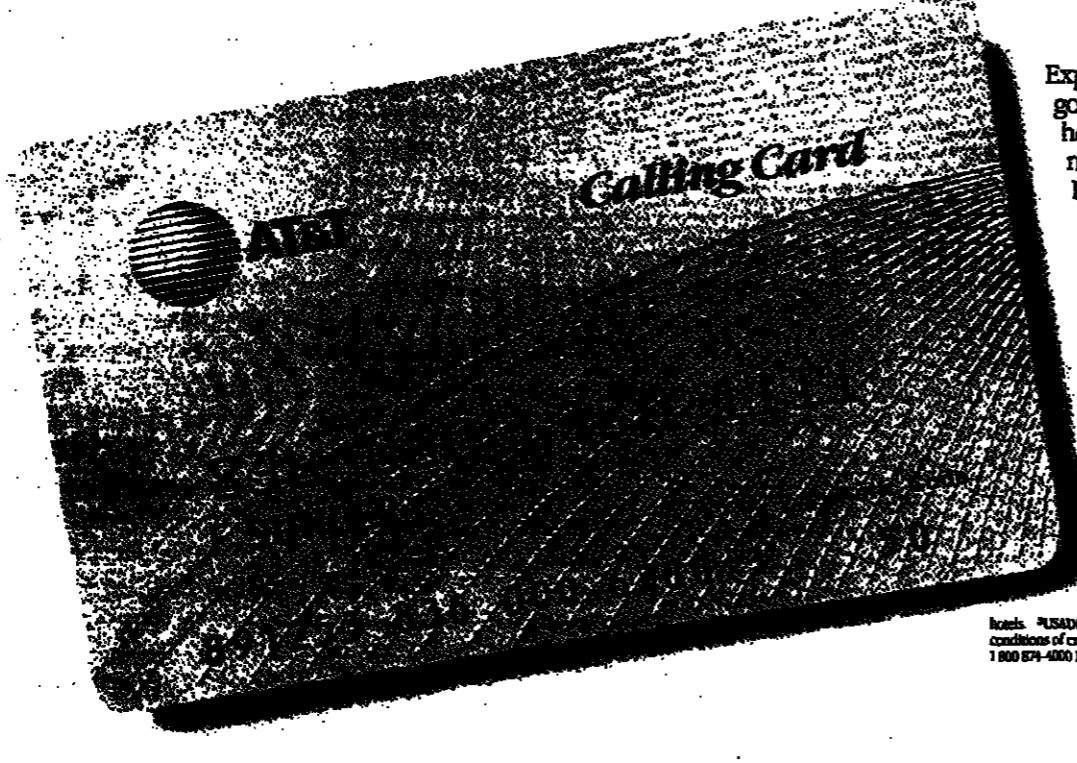
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# Arts and Antiques

## Art of China Attracts a Rich New Breed of Collector — the Chinese

By Souren Melikian

**N**EW YORK — A new power is rising fast on the art collecting scene. Call it the worldwide Chinese community, from Hong Kong and Taiwan to San Francisco and Vancouver.

Top-notch auction professionals and dealers are unanimous in saying that in the last four years the Chinese have bagged most of the greatest pieces in the areas of Chinese art to which they have addressed their attention. In these categories, they are now leading as the Japanese did through the 1970s.

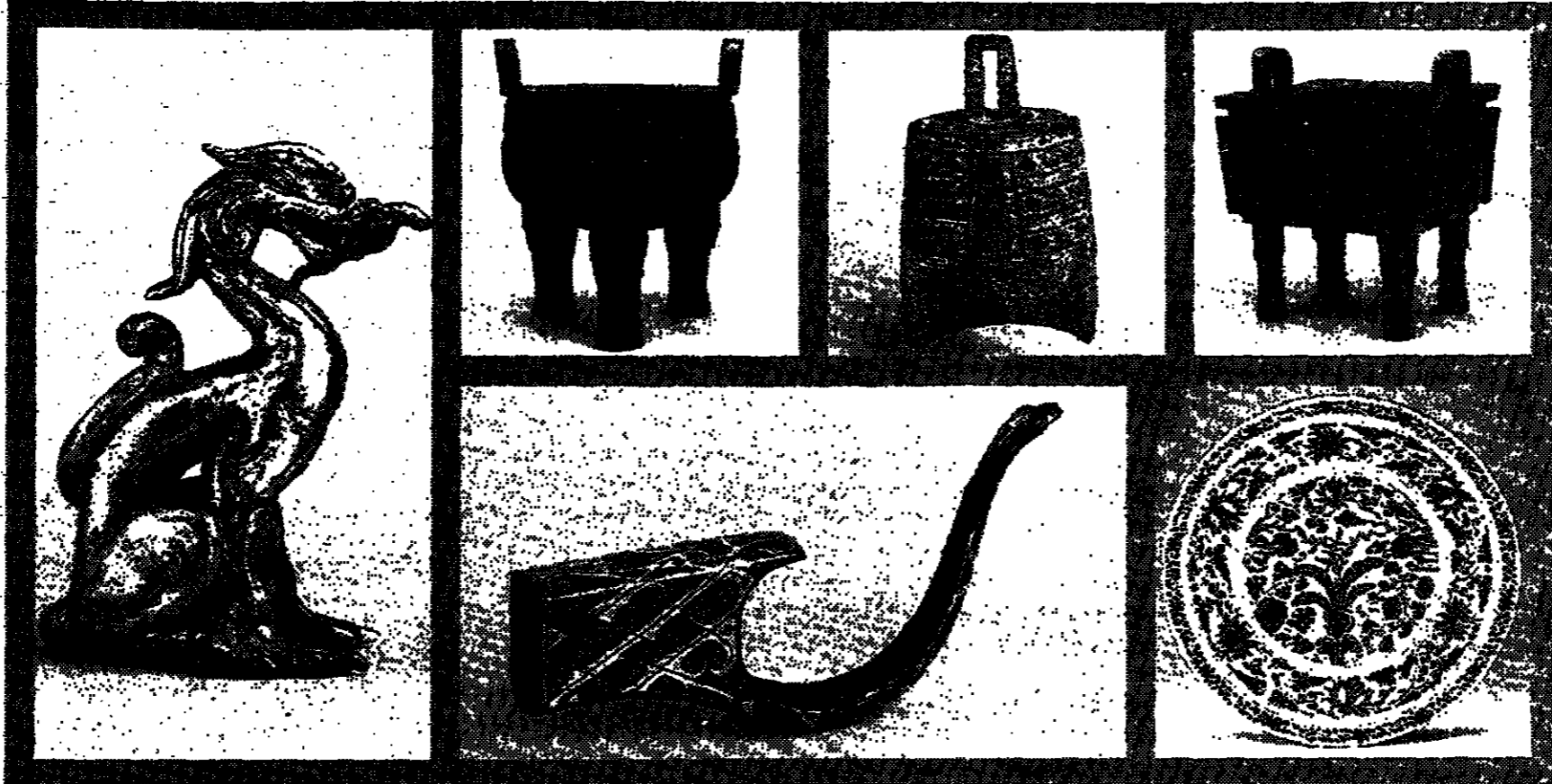
Julian Thompson, chairman of Sotheby's Asia, considers "the massive creation of wealth by the Chinese in the Far East" to be the key factor. But the human element is equally important. A new type of Chinese businessman has emerged in the process.

James Lally, who developed Sotheby's Hong Kong auction venture jointly with Thompson before leaving the company at the end of 1985 to become the premier Chinese art dealer in the United States, draws a parallel between the new Chinese involvement in art collecting and American collecting in the closing years of the 19th century. "For a Chinese as for an American, then and now, owning works of art is a requirement in order to be recognized as a man of stature in the community," he said.

The new breed of businessman-collector is typified by high-profile buyers such as Joseph Lau Luen Hung, whose passion is porcelain. Lau started by selling ceiling fans and has since expanded into real estate development in central Hong Kong. A dealer who has met him many times observes: "He is constantly thinking up yet another imaginative project." Of Lau's approach to art, the dealer said, "He has a masterpiece mentality." Thompson adds another touch to the portrait: "Lau goes only for the best and takes good advice."

Whatever the method, there is no doubt about the vigor of Lau's thrust into the field. On Dec. 1, an important jar, complete with its cover, of the Jingde period, came up at Sotheby's. Decorated in polychrome enamels with eight carp leaping among aquatic plants, it is one of perhaps a dozen comparable pieces. Professionals wondered with trepidation what would happen to a piece carrying an unwritten estimate of more than \$2 million.

On June 4, 1985, when the market was strong, the exact match to that jar, likewise consigned by the family of a famous Chinese collector, J. M. Hu, had sold for \$1.21 million. As in December 1992, the setting was



Gilt bronze dragon (2d-4th century), left; clockwise: archaic bronzes and gold inlaid bell (3d century B.C.); Yuan dish; decorated crossbow fitting.

Sotheby's New York. The price, then considered a sensation, had been paid by Lau. In the current depressed economic climate, would there be another Lau? There were several among those bidding. In the event, it was Lau in person who paid \$2.86 million, beating the world record for 16th-century porcelain he had set in 1985.

The repetition of Lau's feat at seven years' interval is fraught with symbolism. In 1985, the underbidder to Lau was a Tokyo dealer; in 1992, no Japanese got anywhere near the top. Their demise is made more striking by the fact that jars with this bold decoration are typical of the Japanese taste in later Chinese porcelain. In March 1976, when a jar with identical decoration but missing its cover, and therefore less desirable, came up at Sotheby's in New York, it made \$260,000 and found its way to the Idemitsu Museum, a

foundation set up in Tokyo by the Idemitsu company. If the December 1992 sale had taken place a few years earlier, another private foundation set up by some rival Japanese company would have been only too happy to score against Idemitsu by paying more. Those days are over.

New money, however, is not the only factor that has pushed the Chinese to take the driver's seat in the market for Chinese art. A passion for gambling probably played a part. Buying at auction is one of the more sophisticated forms of gambling. By setting up an auction outfit in Hong Kong, Sotheby's played a major role in bringing the art-gambling opportunities into the Chinese world. When Thompson conducted the first auction in November 1973, the country Sotheby's wanted to get close to was Japan and for a

while the Japanese dominated the Hong Kong scene. But in 1980 their preponderance was challenged.

The historic occasion was the dispersal of the art collection formed over a lifetime by Edward Chow, a connoisseur dealer who had died the year before. It started with a porcelain sale in Hong Kong in November, followed by a sale of early pottery and archaic bronzes in London in December. In November, the most expensive lot, a tiny Doucai cup decorated with chickens in the Cheng Hua period, went up to a phenomenal 5.28 million Hong Kong dollars.

Professionals noted with amazement that the buyer was a Hong Kong millionaire, Au Bak Ling. A brilliantly successful businessman, he owns, among other things, a publishing house that prints textbooks for children. Few knew about his interest in art. When the

third Chow sale was held in Hong Kong in May 1981, Au Bak Ling again acquired the top lot, a Yongle moon flask decorated with a dragon instead of the usual fermal pattern. The price was a huge 3.3 million Hong Kong dollars.

From then on, Au Bak Ling, T. Y. Chao, a Hong Kong shipping magnate, T. T. Tsui and others strenuously trying to be discreet, the Joseph Hotung, emerged as major players in Hong Kong. One of them, T. Y. Chao, was overcome by business problems and left the collecting arena. His works of art were sold by Sotheby's in two sessions in 1986 and 1987. The setting was Hong Kong. There was no question now of shipping off to London the wares of a Hong Kong collector. It was the turn of Hong Kong buyers to travel the world in search of what they collected. And among the first to do so was Hotung.

In December 1983, as a dealer requesting anonymity told me, "He walked into the sale of the Richard Ball collection at Sotheby's (New York) and plucked every gem." He speaks admiringly of the best pieces. Lally, who bought several of the best pieces, is most impressed by his purchase then of a jade ceremonial blade, for which the Hong Kong collector paid \$132,000. "Many people wondered whether it really dated from the archaic period," Lally said. "Since then, archaeological excavations in China have shown that it does."

Hotung now counts among the most discriminating collectors of archaic bronzes and jades.

Last fall, a European connoisseur who went to see Hotung in Hong Kong noticed on his desk a wonderful figure of a man standing on a crouching beast and raising his hands together to hold a pole that is now missing. The connoisseur remembered this masterpiece of the Warring States period, possibly of the 4th century B.C. The bronze had featured prominently in the May 1992 selling exhibition put together by Lally at his New York premises. The price was in the area of \$750,000.

If there is something in common among all Hong Kong collectors at the top it is a tendency to reach ever higher for quality. As a result of intense competition among them, the best of Chinese art has never been so expensive.

On Dec. 3, Christie's had in its sale an object of great rarity that left most non-Chinese connoisseurs stone-cold. The shallow celadon bowl of the Song period belongs to a category that is now recognized as the Ru yao imperial ware, of which about 50 have been recorded. This one was consigned by the son of a famous Chicago collector, Stephen Junkunc 4th. None has so far turned up among the tens of thousands of objects coming out of the so-called "clandestine excavations" taking place on a massive scale in China. Christie's Hong Kong-born expert, Theow-Huang Tow, judged it to be worth more than \$1 million. That seemed to me a gigantic estimate as I held the celadon piece in November, but Theow's instinct did not fail him: It soared to \$1.54 million, an all-time high for Ru yao. Dealers embarked on intense speculation as to who the mystery buyer might be. The mystery man was Au Bak Ling, who like his fellow collectors has been raising the stakes over the years and now buys exclusively at auction to a non-Chinese that is less impressive to a non-Chinese than the thick grayish-green glaze, which is uneven. Inside the bowl a large area

Continued on page 8

## Museum Purchases Propping Up Prices

International Herald Tribune

**N**EW YORK — Museum acquisitions are about to become the largest single factor in the art market. When money no longer goes forth freely, the existence of public funds directed toward art buying — backed by a reservoir of private goodwill easily invoked in the name of "culture" or community prestige — contributes to keep up prices at a level that might not otherwise be sustained.

This was first demonstrated publicly last year when a marvelous portrait by Holbein the Younger entered the National Gallery of London. Consigned for sale to Christie's by the Marquess of Cholmondeley, it was then pulled out and sold by "private treaty" to the National Gallery. The British Treasury allowed the marquess to receive payment of £10 million (\$15 million) tax free. For the owner to retain that amount at auction, Christie's release explained, the picture would have had to rise to £27.5 million. This is as good as saying that the public paid £27.5 million for the Holbein, which is gigantic. Every professional I spoke to at the time was convinced that no such price could have been hoped for at auction.

A less spectacular procedure is for dealers to buy pictures at auction that they feel sure will appeal to museums, the latter being unable to act promptly, either because the funds are not immediately available or because it takes months to get a board of trustees (or a government) to agree. For the dealer, it is always a big gamble but it is a welcome shot in the arm for the auction market.

If it had not been for the determination of Bruno Meissner of Zurich and Paris to go after the admirable view of Königstein in Taunus by Bellotto, the landscape, done around 1758 near Dresden, would have gone for much less than £3.41 million when it came up for sale at Sotheby's in December, 1991. Meissner, who bought it in partnership with Konrad Bernheimer of London, had thought that it would go to Germany, quite possibly to the Alte Pinakothek in Munich, where it would have looked good in the company of the greatest Altdorfer in the world, "Die Alexanderschlacht," Düren, Rembrandt and the rest.

This is no ordinary decorative postcard for English tourists flocking to Venice and buying souvenirs from the vedutisti. It is one of the greatest landscapes of



Bellotto: "The Fortress of Königstein" (detail).

the 18th century. But money could not be made available in the somber social climate of Germany, worried by unemployment and the integration of its eastern part. In February this year, the National Gallery of Washington, which yearned to have the gem, finally cracked and came up with the \$10 million or so that it took to get it.

Direct buying at auction, which only a handful of museums manage to do on a high level, pumps both money and prestige into the system. In London in December, a bullfighting scene done by Goya in his old age, while a political refugee in France, came up at Sotheby's. Private connoisseurs were not enthusiastic about this composition. It looks strangely

unbalanced, with the bull giving the impression of having been slapped on as some afterthought. But scenes from Goya's late phase are much rarer than portraits on the market and rarity is often what makes museums tick, however ungainly the object. Even the Prado, despite its vast Goya holdings, was said to be interested. It eventually went to the J. Paul Getty, which paid \$4.95 million to get it.

Then, in January, still at Sotheby's but this time in New York, there came up one of the most beautiful portraits of the Northern European school done in the last part of the 15th century. The artist's name is unknown, only the sitter's identity, stated in superbly

Continued on page 8

## Independent Curators Restyle N.Y. Scene

By Dana Micucci

**N**EW YORK — Independent curators, or free-lance art exhibition organizers, are becoming increasingly visible in New York by offering innovative presentations of art.

The first wave of independent curators came to prominence over the last decade and inspired a new generation of cultural impresarios who continue to challenge the ways we view art.

"Independent curators started multiplying in the mid-'80s, when the focus in the art world shifted from the more experimental spaces in the East Village to SoHo, where the gallery system became restrictive and showed less of a variety of art," said Tricia Collins, who, along with Richard Milazzo, has been organizing art exhibitions for museums, galleries and alternative spaces since 1982.

"It's a hot thing to be an independent curator now," Collins said. "And they're likely to play an even bigger role in the future. It's a way of bringing critical attention to deserving artists who might not otherwise be shown." The field is especially attractive for the freedom it offers, allowing independent curators to take more risks and present art more creatively than many commercial galleries.

"I like being entrepreneurial and developing my own projects," said Jeffrey Deitch, who is based in New York and curates large thematic exhibitions for museums worldwide. He will be one of the 10 curators of the "Aperto" section for emerging artists in the upcoming Venice Biennale.

"I can put together an exhibition much more quickly than a museum or gallery," he said. "Independent curators have become a very important part of the New York art world at a

time when there is more art, more interest in art and more curatorial talent than can be accommodated by existing institutions."

Simon Watson, a former dealer who curates politically oriented shows for museums and alternative spaces, has converted his living room in TriBeCa into a minimalist viewing room.

"People are looking to independent curators as a way of getting more art out into the world," he said. "They're becoming more visible because there are fewer galleries in New York now than a few years ago. There's an urgent need for art to be examined in a political context, and independent curators can provide more venues for that."

Watson has recently established an organization to help artists curate exhibitions. Decreased state and federal funding for the arts has left a gap that independent curators are filling as educators and critics with a mission to present an intellectually diverse range of art.

"Independent curators are very effective in helping to maintain a balanced diet of exhibitions in New York," said Dan Cameron. "We travel a lot internationally and can bring a broad vision to a show. I'm more interested in the art itself than discovering artist stars."

As exhibitions become personal creations, the role of the independent curator is approaching that of an artist.

"I approach my exhibitions as if I were directing a film," said Christian Leigh, who has become known for art shows related to Alfred Hitchcock films. "I'm trying to stake a new territory by curating them as narratives or stories. I change the space and the color of the walls, and group many works together based on their similarities. I want to open up art viewing for people who don't normally go to galleries."

Independent curators say that people are increasingly looking to them to make sense of an art world that is no longer directly tied to the market.

"We're trying to provide an aesthetic discussion," said Yvonne Muranowski. "The commercial side of art is not our driving force." She and Russel Lederman teamed up two years ago out of frustration with their gallery jobs. Part of a younger generation of independent curators who have converted lofts, vacant buildings, storefronts, restaurants and bank lobbies into exhibition spaces in an effort to present art more directly, Muranowski and Lederman are committed to making art more accessible to the public. "Galleries can be intimidating. We keep an open mind and ignore the politics of the art world hierarchy."

KENNETH Schachter, another young curator, recently organized an exhibition in a garage in SoHo. An attorney and artist, Schachter says he curates politically themed shows for emerging artists who have no gallery representation.

As independent curators gain higher profiles, more commercial galleries are working with them, a partnership that is contributing to the vitality of art.

"I work with independent curators because I want to produce museum-quality shows and ambitious catalogues," said Tony Shafrazi, a SoHo dealer. "Museums don't present the only current historical perspective on art. With galleries getting larger and the language of art expanding, the role of galleries is becoming more diverse."

DANA MICUCCI is a journalist based in New York.



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# Hong Kong Gorges On Art of Mainland

By Kevin Murphy

**H**ONG KONG — Great economic changes on both sides of the border and more derring-do by middlemen have propelled Hong Kong's markets for Chinese art and antiques into expanded realms of collecting.

A new generation of enthusiasts now prowls the cheek-by-jowl galleries in Hong Kong's Hollywood Road area, tyros brushing against traditionally deep-pocketed aficionados usually more at home bidding for the best imperial porcelain in auction houses.

But an unparalleled flow of collectible material out of China draws both groups to scour the tiny shops crammed with painting scrolls, ancient ceramics and fine furniture. Prudent eyes occasionally spot an undervalued gem, and newer collectors can now buy items that scarcity kept out of their price ranges until recent years.

The patronage of the younger breed of collector, particularly

Hong Kong's upwardly mobile, Western-educated "chuppies," has also helped fuel a genuine boom in contemporary Chinese oil paintings.

"I see a lot of young people who are into the modern Chinese oil paintings," said Mei-Seen Loong, managing director of Sotheby's Hong Kong Ltd. "People are paying more attention to their lifestyles. They have been educated overseas; the medium of oil painting is more familiar to them and they can afford them."

At the same time, the region's surging economic growth allows serious collectors far more leeway to indulge in their passions at the very top of market where Taiwanese buyers have stepped in to replace Japanese buyers whose own budgets have been trimmed by recession at home.

"The flood of ceramics is really quite incredible," said Amanda Lack, managing director of Hong Kong's Allfield group. "It drastically reduced world prices of early examples. It suddenly became possible to buy a Han burial ceramic for about 5,000 Hong Kong dollars. A lot of people got the bug."

Reforms in China that allowed the peasantry to grow and sell their own food at free market prices prompted farmers to cultivate land that had lain fallow for centuries. In the course of creating new fields and sinking wells to water new gardens, ancient graves and numerous treasures were discovered.

Many burial sites were unearthed less innocently and huge caches of artifacts eventually found their way to Hollywood Road, China's porous safeguards and a freewheeling economy in which a whole class of murky entrepreneurs has materialized greatly aided the flow.

Until 1982 local dealers could buy and remove almost anything from the mainland. But China's decision to prohibit the export of



One of a pair of Doucai "chicken cups," 1723-1735, to be offered for sale next week by Sotheby's Hong Kong.

antiques, defined as manmade objects fashioned before 1795, meant that smuggling became the only way to get antiques out of China.

Despite a death penalty risk, finding and exporting antiques is a big business across China and has given rise to some brazen robberies of provincial museums. Mainland customs authorities reported 34 museum robberies and 14,700 attempts to smuggle antiquities out of the country in 1992.

Meanwhile, many individuals who safeguarded collections through the ravages of the 1960s Cultural Revolution, when anything old was vilified and people surrendered or destroyed priceless antiques to prove revolutionary zeal, are now selling to reinvest in China's booming private businesses. Fine examples of Ming-era furniture (1368-1644) now find their way into the colony by a variety of means.

"The Chinese furniture market is greatly changed," said Ms. Lack. "Ten or 15 years ago, people knew the individual pieces of Ming furniture, but recently there has been an amazing amount surfacing. But the demand is still greater than the supply."

**W**HILE prices have been far less resilient for ancient ceramics, Ms. Loong and her peers at the top end of the market report that demand for the finest imperial porcelain and best-of-their-kind pieces remains strong: "The 1989 market was the best, but it's coming back."

Alice Piccus, head of Christie's Swire (HK) Ltd., said, "The truly serious collectors aren't really affected by the economy wherever they live and they are reluctant to

sell, so there is always a difficulty in getting exceptional products to the market. But when they do come out, there are still plenty of buyers.

"The Taiwanese are always interested. Their tastes have been cultivated by their superb museum collections. Lately, they've had the nerve, the funds and the courage to go along with the market. Of course, Hong Kong collectors are always there, too."

Asia's continuing economic success, often guided by Chinese businessmen living throughout the region with an increasingly keen appetite for treasures from the motherland, augurs well for prices, provided China does not dump unknown collections on the market.

The only clouds appearing on Hong Kong dealers' horizon come from lingering uncertainty about China's stance on the antique business after it regains sovereignty of the colony in 1997.

Dealers and collectors are fearful China will extend its ban on exporting antiques to the territory. "We don't know what the structure of the industry will be after 1997," said Ms. Loong of Sotheby's.

"There are concerns that things may be taken back or uncomfortable restrictions will be placed on exports," she said. "Unless things are spelled out, people will be likely to move things out of Hong Kong. The market won't disappear but its buoyancy could be affected."

# A New Breed of Collector for China's Art

Continued from page 7

had turned to brown during the firing. Nor does it have the perfect smoothness or subtle turquoise nuances to its green of the best of Song celadon. But as Lally, who had also expected the Ru yao to go for that sort of price (his bet was "about \$1.2 million"), explains, "The attraction of Ru yao lies in its rarity. This is entirely a mind game. They want it because they can't have it."

The ascent of Chinese collectors has had its most spectacular impact on the market for Chinese painting and calligraphy. A decade ago it was seen as the most difficult field of all, in which the age-old tradition of copying past masters as a way of learning makes authentication a very chancy exercise. Compounding the difficulty, an intimate grasp of calligraphy, inseparable from the art of painting, is a must, and that in turn implies a deep knowledge of the language and its complex writing. Arnold Chang, the remarkable Chinese-American who created Sotheby's power base in this field before leaving the company on Dec. 31, says the market now, although not exclusively Chinese, is led by Chinese collectors from all over the world. As a result, calligraphy is hitting the roof.

In June 1992, Sotheby's sale included a very rare calligraphic scroll by the painter-calligrapher Bada Shanren of the so-called individualist school. Dated Sept. 13, 1694, it is one of the very earliest carrying his signature. Chang's estimate was \$70,000 to \$90,000. In the early stages of the bidding, a "Westerner," as Chang put it, was involved. The main players were from Hong Kong and Taiwan, and included one Chinese-American. In the end it went to Robert Chang (no relation to Arnold), a Hong Kong dealer who buys primarily for Taiwan. The price was \$286,000, a record for 17th-century calligraphy at auction.

In the same sale a painting by the individualist Shitao was hotly disputed. Of the three Chinese bidders involved, two were from Taiwan and one from Hong Kong. One of the Taiwanese eventually carried off the prize at a cost of \$561,000, twice the high estimate. He is a collector who has been buying for some time.

Not very experienced as yet, he seeks advice, Chang says. Here again, the parallel with U.S. tycoons embarking on collecting in the 1890s is striking.

The parallel is equally obvious regarding contemporary Chinese paintings. The surge of Chinese art buying has transformed the market as spectacularly as it has raised the stakes for calligraphy. In October, a new stage was reached when a suite of four hanging scrolls signed by Zhang Daqian, which can be looked at separately but form a continuous landscape if hung side by side, came up in Sotheby's Hong Kong auction of modern and contemporary Chinese paintings.

Thompson describes the artist as "the biggest, most influential figure in 20th-century Chinese painting." The work, entitled "Grand View of the Blue Mountains," exceeded its high estimate, which had seemed wild, and ended up at 7.48 million Hong Kong dollars, more than \$900,000.

**A**RNOLD Chang, who now operates as a Chinese art broker from Forest Hills, New York, assures us that the weakening of the Western and Japanese economies "has not in the least affected the buying pattern of the Chinese collectors." The slight drop in prices since the height of the market in 1989 is not due to a weakening of the market, in his view. It only reflects the withdrawal of a massive wave of new buyers who bought indiscriminately. This wave was short-lived, he says. Now it is back to the "old" new collectors formed over a decade.

These undoubtedly keep going from strength to strength. This power is not just reflected through its impact at auction. A group of Hong Kong collectors, the Min Chiu Society, formed 25 years ago, is showing 79 pieces of porcelain owned by its members at the Sackler Museum in Washington, through Nov. 28. "The Sackler is currying favor with the members," a powerful American player in the art game wryly notes. According to Lally, "No collectors' society in Europe or America compares with it."

Last summer, he said, an exhibition of Jingdezhen porcelain at the Percival David Foun-

dation nearly collapsed when an English collector who was due to put up \$60,000 decided he could not. The man who stepped in to rescue the operation was a member of the society, C. P. Lin, a Hong Kong collector of many years. Most spectacularly, the magnificent renovation of the British Museum's Chinese galleries was financed by Houtung. This, too, is reminiscent of the largesse of American collector-patrons to museums earlier in the century.

But Lally finds that the Chinese learn—and grow—much faster. The presence of T. T. Tsui, one of the world's most powerful collectors of Chinese ceramics, is said by insiders to have been a factor in Sotheby's decision to sell in Hong Kong the British Rail Pension Fund holdings in Chinese porcelain. They were proven right. Tsui paid 10.45 million Hong Kong dollars for a Kangxi bowl with a bird on a branch, 10 times the estimate. But recently, Tsui, who opened his own magnificent ceramics museum in January 1991 and is as active as ever, has made a point of stepping back, as Lally sees it. Trust the Chinese to be discreet when they want to. And trust them to refine their buying eye. In December 1992, a very rare monochrome red lacquer dish with scalloped rim, of the 14th century, was sold by Eskenazi for \$165,000. There are less than 10 such pieces worldwide. They are discreetly understated objects. The scalloped dish is now on view in the T. T. Tsui museum in Hong Kong.

The next step will be the setting up of a Chinese auction system, modern-style. It has already been done in contemporary painting. Rong Bao Zhai Co. has sales in Hong Kong with "catalogues as respectable as those of Christie's and Sotheby's," in Lally's estimation.

Further down the line will be the branching out into the art of the rest of the world. Again, some have already done it. The few Western connoisseurs who have seen Houtung's collections say he has some excellent Old Master and first-class English period furniture. China appears likely to loom larger and larger among the world's art powers.

Souren Melikian is art editor of the International Herald Tribune.

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# Museum Purchases Propping Up Prices

Continued from page 7

calligraphed Gothic lettering, appears. He is Jakob Hobrecht, a Flemish composer who died in Ferrara in 1505 during a plague epidemic. The man is shown three-quarters, hands joined in prayer, the nearest suggestion of inner elevation lighting up his face. The portrait, painted on panel in crisp fine strokes of white on dark blue, irresistibly calls to mind some drawings of the period. Flanders? France? The Burgundian court, perhaps, where the two cultures met?

This time again, two museums had set their sights on it. In a straight battle pitching it against the Getty, the Kimbell won the prize to the tune of \$2,422,500, four times Sotheby's high estimate. This was the second time in two months that the Kimbell made the difference between a lackluster performance and a tolerably good one. In November in New York, it was the buyers of Matise's \$12.1 million "L'Asie." In both cases, the Texas museum lived up to its reputation of always targeting the best.

While such high-priced works make news, hundreds, indeed thousands, are lifted off the market without a word being written about them. In the last decade, the Musée des Beaux-Arts at Beauvais, north of Paris, has built up a respectable collection of Nabis through the single-minded determination of its curator, Marie-José Salmon. She did not spend millions of dollars on each. Her latest acquisition, a view of Antwerp harbor done by Maurice Denis in 1926, was for sale at the Galerie Berès in Paris at 1 million francs (\$185,000).

Other museums, particularly the Musée d'Orsay, have been buying Nabis. This year, for example, the Musée d'Orsay acquired a major Bonnard, "L'Intimité," dated 1890, showing Claude Terrasse, his wife, and the painter's hand coming into the picture. All this has contributed to keeping up prices, both by removing the works from the commercial circuit and by alerting the art world to museum interest in the field.

Lower down in the financial strata, albeit by no means in aesthetic value, acquisitions go unnoticed by the thousands. Last Oct. 7, one of the most beautiful Renaissance glass jugs from the Rhineland turned up in a run-of-the-mill sale at Sotheby's in London. The catalogue, Peter Arney, had done his homework, noted the similarity to one other jug in the



Goya bullfighting scene (detail), sold for \$4.95 million.

Victoria and Albert Museum and drew attention to the silver mounts, which are indeed beautiful and significantly enhance the object. The City Art Museum of Saint Louis, Missouri, discreetly bagged the masterpiece for \$24,200. Not much was said about it in the national media.

Hardly more is heard about the impact on the market of a major form of museum acquisition that consists in the wholesale or part donation of entire collections.

This is an American specialty in which the Metropolitan Museum of New York has become a consummate master. Its greatest coup in this line, among the more recent deals, is the "promised donation" of the collection of lacquers from East Asia formed over a lifetime by Florence and Herbert Irving. An exhibition including the pieces held at the Met in the winter of 1991-92.

A year later, it was the turn of the Klaus Perls collection of Benin bronzes to be donated, for good and on bloc, to the Met. Not every piece from this vanished African

kingdom in present-day Nigeria is undecipherable, many being late and stereotyped. But as a group, the 150 or so works have, in a single swoop, given the Met enormous breadth in an area where it had very little.

If only for coups such as these, coming after the more distant donations of Walter Annenberg or Heinz Berggruen, Philippe de Montebello will go down in history as one of the museum's great directors, who had the foresight to anticipate the current cash problems and rethink his acquisitions policy.

Even though their funds have declined in some countries, museums, with their ability to harness private goodwill, are increasingly looming as an art market force with enormous impact. In the Far East, they are already outdistancing any other force if private foundation museums are taken into account. In the United States, the process is gathering momentum. Sooner or later, Europe will catch up.

Souren Melikian

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Arts and Antiques / A Special Report

Rebound in Market Offers Proof That The Money Is There

By Souren Melikian
NEW YORK — If anyone doubted the resilience of the art market, the last few months have made the point as seldom before.

Professionals feared the worst, but the worst did not happen.

that does not reflect on the market. By contrast, the success of two or three sophisticated works too small or too unconventional to be very "commercial" pointed to the presence of very knowledgeable buyers willing to step in when there was something worth bothering about.

THE attendance did not miss a very fine 1969 beach scene by Bonin, never the easiest artist to sell. It climbed to \$715,000. Better, an excellent portrait of a man, done in 1883 by Toulouse-Lautrec in a manner differing vastly from the strident style that made him famous, found a buyer when it could very well have failed, even at \$330,000.

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posed (make some of the half-finished) pieces sold under the same title in recent years, made \$12.1 million.

A week later, the roles were reversed. In the Contemporary Art sales, Sotheby's led slightly with a \$21.3 million total against \$17.7 million for Christie's.

Such an unusual event could be seen as a one-time occurrence with little bearing on the market. It was not. Two sales that were not so impressive for the amount spent as for what they revealed of the fundamental art market constituency took place in New York in January.

There was a suggestion of that in the phenomenal success scored by Sotheby's in Geneva in November with silver and jewels of the princes of Thurn and Taxis. It is true that the attraction to silver played a role and true also that the whiff of history plus a touch of snobbery were part of the magic potion that made buyers oblivious to any suggestion of a crisis, in doing them to double, triple or quadruple high estimates.

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Matisse: "L'Asie" (1946), sold for \$12.1 million.

Sensing the depth of the public's reaction, seasoned dealers joined the bidding — Achim Nensel of Bremen, Axel Verwoerd, who lives a quiet life in his chateau near Antwerp, and the Engel brothers of Paris. There was nothing giddy or snobbish about their participation. Carefully calculated, it said everything about their belief in the soundness of the market.

Such an unusual event could be seen as a one-time occurrence with little bearing on the market. It was not. Two sales that were not so impressive for the amount spent as for what they revealed of the fundamental art market constituency took place in New York in January.

Three days later, on Jan. 25, another American collection, this time of British porcelain, came up at Christie's. Again, collectors and dealers packing the room received it enthusiastically.

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In Spain, the Gallery Palette Turns Gray

By Al Goodman
MADRID — It is the centenary of Joan Miró's birth and the lavish Barcelona exhibition honoring the Catalan artist is unfolding as planned, despite a financial crisis in the Spanish art scene.

Spanish corporate clients in particular have backed away from purchasing art, said José Cobo of Madrid's Galeria Weber, Alexander Cobo. He said an art buyer from one major firm told him, "If I went to the board now with a request to buy art, they'd ask me if I was crazy."

Public officials increased the 1993 budget of the Prado Museum, which will put the extra funds toward expansion plans, but major contemporary museums such as Madrid's Reina Sofia center and the Valencia Institute of Modern Art were dealt budget cutbacks.

Only a few longstanding galleries have closed but a dozen other art dealers who emerged in Madrid and Barcelona during the art-buying frenzy of the late 1980s economic boom also have thrown in the towel during the crisis, said Madrid gallery owner Juana de Aizpuru, who is also a board member of the new Spanish Federation of Art Gallery Associations.

Advertising income is down by 20 to 30 percent at the art magazine Lápiz, an 18,000-circulation monthly based in Madrid, said editor Rosa Olivares.



Joan Miró painting on paper, dated 1932.

ern Art were dealt budget cutbacks. Only a few longstanding galleries have closed but a dozen other art dealers who emerged in Madrid and Barcelona during the art-buying frenzy of the late 1980s economic boom also have thrown in the towel during the crisis, said Madrid gallery owner Juana de Aizpuru.

These are more normal people, less bent on success," de Aizpuru said. "They take more time to buy and analyze the prices."

In attracting these buyers, the established galleries have fresh competition from perhaps a dozen new, smaller galleries that have opened in the past year in off-street commercial locales or even at home.

Organizers did not release total sales figures for ARCO, but much of the art was more moderately priced than in the recent past and many participating galleries reported satisfaction at their sales.

While works by leading Spanish contemporary artists such as Antoni Tàpies or Miquel Barceló may not need a nudge in the galleries, dealers point out that discounts on many other works are more readily offered.

Prices have ranged from \$120 to \$2,200 for paintings, watercolors or sculptures in the four shows to date by Brazilian, African, Dutch and British artists.

"It hasn't been a bad start, considering the art crisis," Cubero said. The Madrid auction house Sotheby's Peal also is adapting to the crisis, in the face of 40 percent less turnover since mid-1991.

An auction of paintings on May 18 will also feature an entire section of about 30 lots of drawings. The aim, according to the managing director, José de Paz, is to make the auction "more attractive for more buyers."

AL GOODMAN reports from Spain for CNN.

THE big-money speculators, dressed in the success of the late eighties, have given way during the crisis to a quieter, nascent group of collectors in Spain, a nation that still lags behind other industrialized countries in a broad-based tradition of art collecting.

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# 'Butterflies' Rescue The Faded Flowers Of French Artwork

By Claire Wilson

PARIS — The restoration of Veronese's "Les Noceurs de Cana" unveiled at the Louvre last year, says a great deal about the business of art restoring. While the canvas is highly representative of the Venetian school, it is also what the French would call *médianque*. It is enormous, well-known to the public and, at a price of almost \$1 million, it was incredibly expensive to repair.

And it is only one painting. What about the scores of other, perhaps less significant works of art in France that remain at the bottom of the list of national restoration priorities, if indeed they are on the list at all?

Those peeling, would-be orphans of the art world are the raison d'être of the California-based Friends of French Art. It is a nonprofit organization that has raised \$3.5 million over the past 15 years to rescue little-known but deserving art in museums, châteaux, hospitals, churches and small towns all over France as well as a number of works of French art in the United States.

Projects completed by FoFA have been as small as miniature

textile looms at Lille or as unique as Mire-Antoinette's harp. They have also been as large as the François I staircase at the Château de Blois or the Brunetti murals at the Musée Carnavalet in Paris, an undertaking so ambitious it had to be done in three stages over three years.

Elin Vanderlip, the organization's founder, says the diverse projects have one thing in common: They lay the groundwork for further refurbishment. "I like to call us 'the butterflies,'" she says. "We fit in and leave a bit of money, then shame and prod the people into doing the rest of the room."

"She plants a seed that incites those involved to undertake their own restorations," said Olivier LeFue, the secretary of the Friends of the Musée Carnavalet, which is the museum of the city of Paris. "The best part is that she sprinkles her gifts all around the country, like a wonderful dusting of sugar."

In Pontoise, FoFA saved a mill painted by Paul Cézanne and Camille Pissarro that was slated to be razed to make way for a soccer field. Local funding has since turned it into a cultural center.

In Bordeaux, funds raised by the organization repaired Bougeau ceiling paintings in the munic-



Elin Vanderlip at her home in California.

ipal theater. That gift led the mayor, former Prime Minister Jacques Chaban-Delmas, to refurbish the remainder of the building.

"He said, 'You restore my ceiling and I'll take care of the rest,'" Vanderlip recalled. "So we did."

Public figures and chateau owners alike welcome Vanderlip's brand of pleasant persuasion. In the beginning, well-beeled, well-connected friends like Baronne Elie de Rothschild helped her gain access to hidden caches of woodwork and chinoiserie in private art-rich châteaux.

Now, chateaux and regional authorities are lining up to show their treasures and entertain Vanderlip, who was made a *commandeur des arts et des lettres* by former Culture Minister Jack Lang.

The Norwegian-born Vanderlip, who directs the organization from her home near Los Angeles, founded FoFA during a visit to Paris where her youngest daughter, Katrina de Carboneau, was doing restoration work at the Louvre.

Fresh out of Harvard's art restoration program, de Carboneau was shocked by the vast, crumbling store of neglected art in Paris and the provinces. She told her mother about it and that was the beginning of FoFA.

"I think ours was the fastest tax-exempt status ever granted any organization in history," Vanderlip said. She has been knocking on doors ever since.

"She really has what the French

call *culot*," says Anne Lepage, the president of FoFA, who restores for the Louvre and teaches restoration. "She just marches up to the chateau and introduces herself. People don't quite know what to make of her in the beginning, but she always wins them over."

The mother of four, Vanderlip is the granddaughter of a diplomat and daughter of an engineer. She married the son of a New York banking family, Kevin Cox Vanderlip, who died of cancer at age 44.

She directs Friends of French Art with the help of her companion of more than 30 years, film producer Lehman Katz. The organization not only restores works of art but helps train students in restoration through an exchange program.

RESTORATION funds get earmarked for a different region every year but a portion of the annual budget is always put aside for work in Paris. Projects completed in the capital so far cover a broad range, from the elaborate Delacroix Hemicycle in the Ecole des Beaux-Arts to a theater curtain painted by Picasso in 1917 for a Diaghilev production. It is in the Musée National d'Art Moderne.

A number of Paris churches have also benefited from FoFA's largesse. At Notre Dame Cathedral, a series of paintings called "The Mays" have been restored,

and the baptistry at the Church of St. Roch was refurbished.

Because the money is American, Vanderlip thinks it is also important to allocate some of it to French art in U.S. collections. Beneficiaries have included the Boston Museum of Fine Arts, the San Francisco Museum of the Legion of Honor, the National Gallery and the Corcoran Gallery, both in Washington, D.C., and the Ackland Art Museum in Chapel Hill, North Carolina.

Vanderlip funds fund-raising functions throughout the year, but her most profitable venture, which raises upwards of \$180,000 a year, is a special annual tour, that brings benefactors in touch with potential projects in different regions of France. Each of the 30 participants gives a tax-deductible "gift" of \$6,000, then pays his own travel expenses on a 10-day junket.

The trip is open to anyone who can afford it and it usually takes place in May. The itinerary is built around serious art inspection but also includes tours of local manufacturers of interest, like the Lyon silk mills or faience workshops in Quimper.

That's not the best part, though. Between "work" appointments inspecting flaking ceilings and fraying wallpapers, there are candlelight dinners, wine tastings and alfresco lunches hosted by members of the French aristocracy in the sort of splendid châteaux that are the stuff of fairy tales.

"We lead the high life to raise money to restore with," says Vanderlip. "We like to say it is making *art de vivre* into art conservation."

On May 18, the Friends of French Art will celebrate its 15th anniversary with a formal dinner at the American Embassy.

CLAIRE WILSON is journalist based in Paris.

# Cathedrals in Storybook Colors

## French Laser Cleaning Upsets Tradition

By Barry James

AMIENS, France — The use of a new laser cleaning technique has opened up an intellectual guessing game at Amiens's soaring 13th-century cathedral, one of the finest and most complete Gothic buildings in Europe. The laser dissolves surface dirt with such accuracy that restorers have discovered indications that the elaborate statuary clustered around and above the huge doors was once brilliantly polychromed. Any hint of color had previously been lost under a thick, hard layer of grime and soot from the city's 19th-century smokesack industries, from the action of bacteria on the stone and from the modern scourge of auto exhaust.

Other cleaning techniques, such as those using compressed water, jets of fine sand or chemicals, take away the soot along with a microscopic layer of the underlying stone. But the laser machine dissolves the dirt with a puff, leaving the stone untouched.

In this way, restorers working on the south tower have discovered flakes and washes of paint that would with conventional methods have been scrubbed away with the dirt.

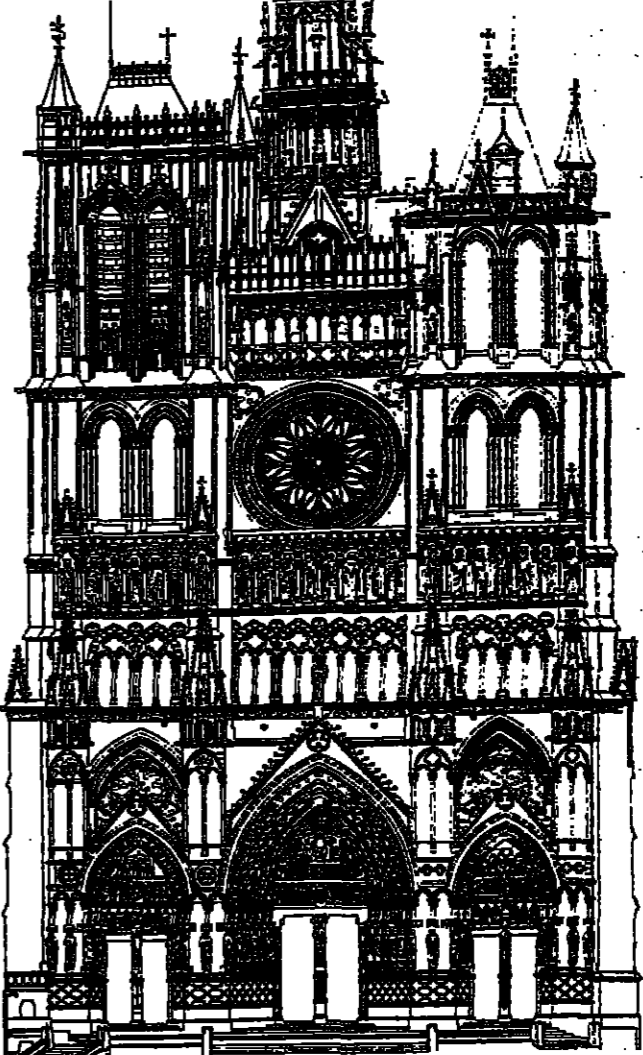
Inside the cathedral, a cleaning in the 1980s discovered that the scenes carved in stone around the ambulatory, the part curving behind the choir, are brightly and realistically painted. Previous to the cleaning, the ambulatory sculptures had been concealed by coverings of dirt, candle smoke and varnish, so that no one suspected the brilliance lying beneath. The vast tree-like columns also bear traces of rich colors.

RESEARCHERS theorize that the outside of the building must have been similarly painted. According to reconstructions, the edifice was a colorful symphony of vivid characters and scenes, like a giant book open to the world.

The deputy mayor in charge of culture, Frédéric Thorel, has kicked up a controversy by proposing to reconstitute the colors on the facade, using the clues revealed by the laser device. "This is perhaps the last chance of making a great cathedral live again as it was when it was born," he said.

The chances of this happening are remote. The cathedral is the property of the state, not the city, and the Ministry of Culture's conservation experts are not about to embrace such a daring proposition.

The discoveries at Amiens, however, have opened up new questions



Sketch of Amiens's 13th-century cathedral.

about Gothic art and architecture. The conventional wisdom is that the architects of the northern Gothic cathedrals dealt primarily in form, inspired by the interweaving of the branches in the forests that surrounded them. The invention of the external flying buttresses enabled them to build toward the sky, creating delicate and laudable constructions in stone and enlarging the expanse of the windows.

Architects in the south, in contrast, developed the idea of the Greek temple and the Roman basilica. Without the support of buttresses, their cathedrals tended to be squat and relatively small windows and thick walls. The ancient basilicas of Italy are often of unadorned brick or stone outside, sometimes hidden among crowded cityscapes, but opening up to reveal intricate decorative schemes of fresco painting and mosaic.

The distinction between northern and southern styles was emphasized by the Gothic revival of the 19th century and reinforced in the training of generations of art historians, whose visual perception was and still is developed with the help of plaster molds and black and white photographs. The northern churches have therefore long been visualized in monochrome, either in black or, as a result of the modern vogue for restoration, in wedding-cake white. Georges Durand's exhaustive monograph on the cathedral at Amiens, published in the early part of the century, does not begin to speculate on the use of color.

But the evidence of Amiens suggests that the people of the north were as susceptible to brightness and color as those in the south. In

a recent article, a noted Gothic expert, Roland Recht, director of the Strasbourg museums, suggested that "a certain taste for 'kitsch'" formed part of 13th-century aesthetic sensibility.

"To accept today that the monuments of the Middle Ages, including those of the Cistercians, were covered in colors in the interior and, in part, on the exterior, is to accept a complete revision of the image that we have formed of an epoch," he said.

THAT the buildings and statues of Athens were not the spectral white that Neoclassicism imagined them to be, but were richly decorated, is generally accepted. The 19th-century reconstructions of classical buildings in Athens, gaudy with gold and enameled colors, are probably closer to the original concept than the modern idealization of white marble Hellenic temples. Nevertheless, they seem gaudy to a modern sensibility, and the same would probably be true of the Gothic cathedrals if they were to reappear in bright polychrome.

In any case, experts say it would be impossible to establish what would be the right colors. The stonework was repainted many times over a period of hundreds of years. Twenty-nine coats of color were identified on the cathedral's renowned statue of the Mother of God from the south door. The laser beam has cut a window through the grime to reveal a delicate eyebrow on the stame, which has been moved into an inside chapel for restoration and replaced with a resin copy.

The laser technique has never before been used on such a large building. It will take about two years to finish the south tower and a decade to complete the entire facade. The result, experts believe, is likely to be softer and more natural than restorations carried out with older methods. The main drawback is the cost of developing and manufacturing the specialized laser machinery, but this is likely to come down as the technique is more widely used.

BARRY JAMES is on the staff of the International Herald Tribune.

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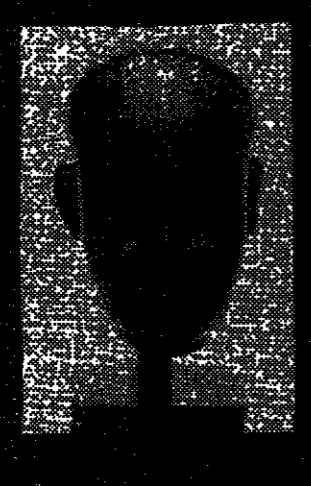
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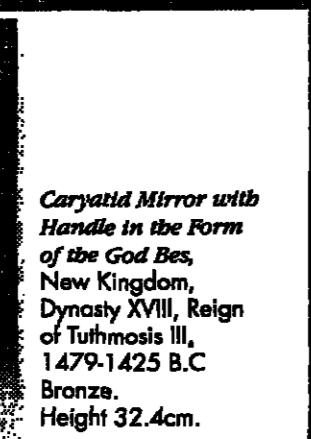
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Portrait Head, Probably of a King, Early Dynasty XX, c.a. 1300 B.C. Rose granite. Height 14cm.



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An Experts' Market Brings Saner Prices At Old Master Drawings Auction, Overpriced Works Did Not Sell

LONDON — For those who buy art for pleasure, it is happy times once again. Attending Christie's sale of Old Master drawings on Tuesday made experienced buyers feel 15 years younger.

SOUREN MELIKIAN

It is the stolid indifference that greets any merchandise carrying estimates deemed too high, however great the work may be.

Right at the beginning, a wonderful cavalry battle by Polidoro Caldara da Caravaggio done around 1510-1530 carried an estimate set far too high, at £20,000 to £30,000 (about \$31,000 to \$46,500).

The Palazzo Ricci-Sacchetti, which is privately owned, was open to visitors that day. Etkerdjian gazed at the Salone or main reception room and peeped briefly into an adjacent hall, the "Sala di Salamone."

The drawing shows three men carrying vases and a big pricket-candlestick done with great attention paid to volume and movement.

Suddenly, it all fell into place. Salvati, a vastly superior artist, must have been commissioned to oversee the project.

Salvati had sketched a preparatory drawing larger in size than usual and gone over the contours to make his purpose perfectly clear to Pontio Jacopo. Etkerdjian had one last inspiration.

This wonderful discovery, which documents in rare detail the very complex creative process of the Italian Renaissance, should have boosted the drawing. Three years ago, it might have helped it match the ambitious £30,000 to £40,000 estimate, imprudently printed in the catalogue.

A third failure proved that the price revision process applies all the way down the quality scale. An attractive drawing by Giorgio Vasari, the 16th-century architect, draftsman, and art collector who is often called the founder of modern art criticism, fell at £4,500 against a £7,000 to £10,000 estimate.

Did Noel Annesley, the auctioneer, sense that a change of direction was desirable? As the drawing that I consider by far the most beautiful in the whole sale came up, Annesley certainly acted as if he did.

The incomparable vigor makes it one of Bernini's finest drawings, certainly among those seen at auction, even though it suffers from water stains along the lower edge.



Francesco Salvati's 'The Inauguration of the Temple' (detail).

Coming from Annesley, one of Britain's leading connoisseurs of Old Master drawings with special emphasis on the Italian schools and an auctioneer with 26 years experience, marvellously attuned to his public, such a decision says a lot.

At that moment, the deputy chairman clearly felt that the time had come to climb down on estimates geared to the past.

When a delightful view of a street in a Renaissance city, described in the catalogue as a design for a stage set by a Roman artist, came up, it sold for £1,840, not quite half the £3,850 it had made at Christie's on April 19, 1988.

Fashion plays a role. Left to their own devices, collectors and dealers alike are capable of displaying enthusiasm. They did so on Tuesday over a highly finished drawing by Tommaso da 'The Magdalene Washing Christ's Feet.'

The study doubled the £19,940 it made on July 1, 1986, as it rose to £39,750.

They also competed with alacrity over a superb drawing in pen and brown wash, heightened with white, which Christie's considers to be the work of Jean-Francois de Troy (1679-1752).

This led Adolphe Stein, of Craon-sur-Sierres, who is now "retired" but attends every interesting auction, to remark that it could almost be the work of "some one like Boucher drawing as a very young man under Baroque influence."

A London dealer got the piece for a very substantial £29,900. Elaborate discussions of the matter will no doubt come out in print in the months to come.

How Artists Grappled With Holocaust Subject

By Michael Kimmelman
New York Times Service

WASHINGTON — "To write poetry after Auschwitz is barbaric," said the German philosopher Theodor Adorno, and implicit in his statement was the challenge that has faced every artist who has tried to grapple with the Holocaust.

The four works of art commissioned by the U.S. Holocaust Memorial Museum, which opens to the public in Washington on Monday, are attempts to meet that challenge. They have been chosen by an exceptionally thoughtful committee of curators, scholars and collectors.

The artists have eschewed the "small child clinging to mother's skirt" sort of realism that has turned much memorial imagery into kitsch.

The building, designed by the architect James Ingo Freed, is a far more effective work of abstraction than any of these pieces.

Adorno was right on one essential level: no artwork related to the Holocaust can equal in its visceral impact the sight of an actual railroad car on which Jews were transported to Auschwitz or of empty canisters of Zyklon B, the poison used in the gas chambers there.

The dense and highly detailed permanent display is filled with such objects, along with historical films, videotaped presentations and interviews with Holocaust survivors.

There are, for instance, machines near the elevators leading to the permanent display that issue computerized cards in the form of passports bearing names and photographs of European Jews who lived during the Holocaust.

It is one among various attempts by the

museum to impress a human face upon a murderous story that can seem too inhuman to grasp.

The commissioned artworks are also attempts to give to the Holocaust a comprehensively human dimension. Each piece comes at a passage-way or transitional point in the museum, presumably so as not to compete directly with the documentary material.

Shapiro's sculpture, in two parts and titled "Loss and Regeneration," stands outside an entrance to the building. Serra's sculpture, "Gravity," divides a staircase leading from the main hall down to a lower floor containing two theaters, classrooms and a gallery for temporary exhibitions.

Both Kelly's suite of wall sculptures, called "Memorial," and LeWitt's wall painting, called "Consequence," are in spaces that lead from one part of the permanent exhibition to another, spaces that are intended to be places of repose different from the exhibition in attitude and form of address (in other words, textless and abstract, after so many wall texts and so much reality).

The premise is an old, if questionable, one: that art is inherently therapeutic and, as an expression of individual creativity, fundamentally optimistic.

There's some truth to the notion in the case of one of the artworks. Kelly's triangular room of white wall sculptures — three rectangular sculptures on one wall, inevitably suggestive of tombstones, and a pie-shaped sculpture on another — is something of a relief, coming as it does after a long sequence of darkened galleries containing the grim documentation of Hitler's rise to power.

THE contemplative aspirations of Kelly's room and the room containing LeWitt's wall painting — of a series of five differently colored squares, a gray square at the center of each — are seriously undermined by the awkwardness and openness of their spaces and the bustle that takes place within them.

Serra's work is somewhat more successful, partly because its function is different. A 12-foot-high, 12-foot-wide block of steel (3.6 meters by 3.6 meters) unevenly splitting a staircase, it underscores the theme of rupture and disjunction that is fundamental to Freed's architectural scheme.

A visitor using the stairs is forced to deal with the sculpture, to choose a way around it. As a metaphor for the Holocaust, it raises the issue of the unavoidable, the intractable.

Shapiro's work in bronze is, like much of his art, abstract yet with figurative references. One part of the sculpture suggests a headless figure tumbling or running; the other, placed about 100 feet away, is in the shape of an overturned horse that could also be the figure's head. It is the only one of the four commissioned works to include an element of playfulness.

In May, Paris Is Stage for Japanese Arts

By Barry James
International Herald Tribune

PARIS — Throughout May, Paris is hosting a festival of Japanese plastic arts, theater and culture, including a rare presentation of the only Noh play written by a Frenchman.

Hideo Kazuo directs and will perform in Paul Claudel's "La Femme et son Ombre" ("The Woman and Her Shadow") in four performances at the Rond Point Theatre Renaud-Barrault.

The cultural festival is being held partly under the auspices of the United Nations Educational, Scientific and Cultural Organization (Unesco), which is staging many of the events, including movie projections, cultural debates, a fashion show, lectures and a staging of the formalistic Japanese Tea Ceremony, at its headquarters in Paris.

Other performances at the Rond Point theater include: • The drum troupe of Amazo Sen and Arahara May 4 and 7. The group, relatively unknown to Western audiences, mingles traditional Japanese rhythms with themes derived from Latin American music and jazz.

• The Kabuki tradition will be represented May 4 and 9 in Yukio Mishima's play, "The Tree of the Tropics," which takes place in a large, dark house against a background of sunset and pyrrhic. The director, Eiji Mihara, has worked for several years with Maurice Béjart and the Ballet of the 20th Century.

• The 600-year-old Izumi school directed by Motohide Izumi, will present another theatrical tradition, Kyogen, performing three of its comedies and two adaptations of Molière.

• A production of Butch music and dance by the composer Tadao Uchiyama and the choreographer Kazuo Tamano, a fusion of tradition and modernity, will be staged May 14 and 23. Butch will also be featured in a dance adaptation of the "Confessions of Saint Augustine" May 21 and 30 and in a work by Henri Michaux, "L'Espace aux Ombres," May 26 and 30.

Look also for events at the House of Poetry at the Forum des Halles, the Bastille Opera studio, the Grand Arch at La Défense, the Pompidou center and the Guimet museum of Oriental arts.

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SALES / SOLD

Beats flops: What was hailed by Phillips in London as the largest sale ever of Beatles memorabilia fell flat when two of the star exhibits — John Lennon's guitar and his piano — failed to sell after doubts arose about the extent of their connection with the Beatles.

Jesse James gun: The Smith and Wesson revolver used to kill Wild Bill Jesse James will be sold Wednesday in Lewes, the British auctioneer, Walls and Walls said after two weeks of trans-Atlantic legal wrangling about the gun's ownership.

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# NYSE

**Friday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yield	PE	12 Month Low	High	Low	Label	Crp
120	110	IBM	4.00	3.6%	13	110	120	115	IBM	100
100	90	Microsoft	0.00	0%	15	90	100	95	Microsoft	100
80	70	Apple	0.00	0%	12	70	80	75	Apple	100
60	50	Oracle	0.00	0%	10	50	60	55	Oracle	100
40	30	Amazon	0.00	0%	8	30	40	35	Amazon	100
20	15	Google	0.00	0%	6	15	20	18	Google	100

12 Month High	Low	Stock	Div	Yield	PE	12 Month Low	High	Low	Label	Crp
150	140	Merck	1.50	1.0%	15	140	150	145	Merck	100
120	110	Pfizer	1.00	0.8%	12	110	120	115	Pfizer	100
100	90	Johnson & Johnson	2.00	1.8%	10	90	100	95	J&J	100
80	70	Novartis	1.00	1.2%	8	70	80	75	Novartis	100
60	50	Roche	0.80	1.3%	6	50	60	55	Roche	100

12 Month High	Low	Stock	Div	Yield	PE	12 Month Low	High	Low	Label	Crp
100	90	Boeing	0.00	0%	10	90	100	95	Boeing	100
80	70	Lockheed Martin	0.00	0%	8	70	80	75	Lockheed	100
60	50	Raytheon	0.00	0%	6	50	60	55	Raytheon	100
40	30	Northrop Grumman	0.00	0%	4	30	40	35	Northrop	100
20	15	Boeing	0.00	0%	2	15	20	18	Boeing	100

IBM stock rose 1.50 to 115.50, with volume of 10 million shares. Microsoft advanced 1.00 to 95.00, trading on 15 million shares. Apple climbed 0.50 to 75.00, with 10 million shares traded. Oracle gained 0.50 to 55.00, with 10 million shares. Amazon rose 0.50 to 35.00, with 10 million shares. Google advanced 0.50 to 18.00, with 10 million shares.

Merck stock rose 0.50 to 145.00, with volume of 10 million shares. Pfizer advanced 0.50 to 115.00, trading on 10 million shares. Johnson & Johnson climbed 0.50 to 95.00, with 10 million shares. Novartis gained 0.50 to 75.00, with 10 million shares. Roche rose 0.50 to 55.00, with 10 million shares.

Boeing stock rose 0.50 to 95.00, with volume of 10 million shares. Lockheed Martin advanced 0.50 to 75.00, trading on 10 million shares. Raytheon climbed 0.50 to 55.00, with 10 million shares. Northrop Grumman gained 0.50 to 35.00, with 10 million shares. Boeing advanced 0.50 to 18.00, with 10 million shares.



### THE PERFECT UNDERSTATEMENT

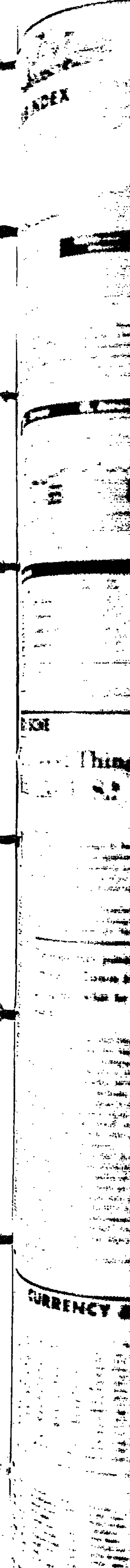
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IBM stock rose 1.50 to 115.50, with volume of 10 million shares. Microsoft advanced 1.00 to 95.00, trading on 15 million shares. Apple climbed 0.50 to 75.00, with 10 million shares. Oracle gained 0.50 to 55.00, with 10 million shares. Amazon rose 0.50 to 35.00, with 10 million shares. Google advanced 0.50 to 18.00, with 10 million shares.

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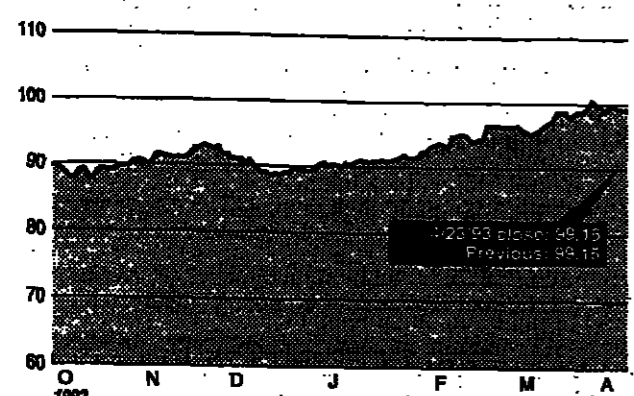
# BUSINESS

International Herald Tribune, Saturday-Sunday, April 24-25, 1993

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## THE TRIB INDEX: 99.16

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. weighting	Close	Prev.
Asia/Pacific	25%	108.09	107.53
Europe	40%	98.73	98.05
N. America	35%	91.76	92.29

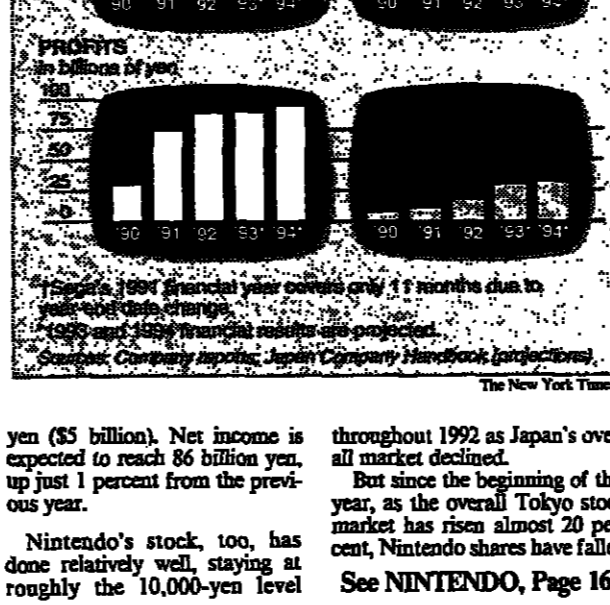
  

Industrial Sectors	Close	Prev.	% Change
Energy	100.27	102.57	-1.76
Utilities	111.78	111.31	+0.42
France	100.58	99.82	+0.76
Services	108.36	108.71	-0.32
Capital Goods	100.41	100.41	Unch.
Raw Materials	102.00	101.52	+0.08
Consumer Goods	96.49	96.67	-0.21
Miscellaneous	103.52	103.42	+0.10

## Nintendo Stock Now Being Seen As a Losing Play

By Andrew Pollack  
*New York Times Service*  
TOKYO — The game may finally be over for Nintendo, which reigned the video-game boom in the 1980s and used it to become one of the most profitable companies in Japan.  
That, at least, is the view of a growing number of analysts, including some longtime supporters of Nintendo Co. who are suddenly switching their recommendations on the company's stock from "buy" to "sell."  
There is little prospect that Nintendo will have more years of hyper-growth, they say, explaining that the company, which is based in Kyoto, is facing a more saturated market, tougher competition from its archrival, Sega Enterprises, and a seeming inability to define its future technological direction.  
"I recommended people get

## Fighting to Be the Video King



out of Nintendo two weeks ago," said Chuck Goto, senior analyst at S.G. Warburg in Tokyo, who until then had been bullish on the company for three years. "I really think the long-term fundamental trend is changing for the company."  
David Penda of Barclays de Zoete Wedd Securities shifted his recommendation to sell, from buy, on both Nintendo and Sega a month ago. He expects Nintendo to post revenue and profit growth of only 2 percent in the financial year that began this month.  
Nintendo, once a manufacturer of playing cards, has been virtually immune to the recession that has sharply cut the profits of nearly every other Japanese electronics company.  
Revenue for the financial year that ended in March is expected to climb 10 percent, to 560 billion yen (\$5 billion). Net income is expected to reach \$6 billion, up just 1 percent from the previous year.  
Nintendo's stock, too, has done relatively well, staying at roughly the 10,000-yen level throughout 1992 as Japan's overall market declined.  
But since the beginning of this year, as the overall Tokyo stock market has risen almost 20 percent, Nintendo shares have fallen.  
See NINTENDO, Page 16

## U.S. Seeks Goals On Purchases of Goods by Japan

*New York Times Service*  
TOKYO — Saying that no other approach would work, Ronald H. Brown, the American secretary of commerce, pressed Japan on Friday to agree to new, measurable goals for increasing its purchases of American products.  
But in a possible concession to Japan, he said the targets need not always be a specific share of the Japanese market for foreign goods.  
Mr. Brown is on a three-day trip to Japan only a week after President Bill Clinton met with Japanese Prime Minister Kiichi Miyazawa in Washington and told him that the United States wanted Japan to accept specific targets for opening its markets.  
Japan is resisting the idea, calling that approach "managed trade" and arguing that it is impossible to agree to in advance without knowing the price and quality of the items to be purchased.  
But Mr. Brown said at a news conference that "there are other ways of measuring results," other than market share. He mentioned the number of joint ventures between U.S. and Japanese companies in a particular industry, the number of instances in which U.S. components were incorporated in the design of Japanese products and the overall increase in U.S. exports.  
Washington and Tokyo are now working on two new trade agreements, Mr. Brown said. One will be aimed at reforming the structure of the Japanese economy to make it easier for foreign companies to compete by, for example, tightening antitrust rules. This program will be the successor to the so-called Structural Impediments Initiative.  
The other, which Mr. Brown called a "strategic export initiative," will try to improve market access in specific sectors. Mr. Brown and Mickey Kantor, the U.S. trade representative, have identified several sectors that could be candidates for these negotiations, including computers, semiconductors, supercomputers, construction and cars.  
Mr. Brown met Friday with Mr. Miyazawa, as well as with Kikumoto, the foreign minister, and

## Foreigners Feel Like Outsiders

By Warren Brown  
*Washington Post Service*  
WASHINGTON — This city has become an inhospitable place for makers of foreign cars and trucks.  
Top executives of companies such as Toyota Motor Corp. and Honda Motor Co. say they cannot get audiences with officials in the administration of President Bill Clinton.  
And leaders of the Association of International Automobile Manufacturers have been left out of congressional hearings on the future of the auto industry in America.  
The Japanese car companies are especially concerned about their lack of access to Washington officials. Once held up as industrial models by U.S. lawmakers, they fear the price of their success might be tighter restrictions on the

## Rate Cuts: Weak Economic Medicine?

*Bloomberg Business News*  
PARIS — The latest round of interest-rate cuts in Europe fall far short of offering any cure for the Continent's recession or preventing the German economy from contracting further, analysts said Friday.  
The Bundesbank's surprise quarter-point discount-rate cut and half-point Lombard rate cut on Thursday were followed by similar moves by central banks in France, Italy, Belgium, the Netherlands and Denmark, as well as Sweden on Friday, triggering cuts in commercial bank lending rates.  
That is good news for corporate treasurers, who will be able to borrow at lower rates, and for high-deficit countries such as Italy and Belgium, whose debt-servicing charges will be considerably reduced.  
But it will do little or nothing to restore consumer confidence, battered by record unemployment in several European countries, or encourage companies hit by low demand to step up investment plans, analysts said.  
"European economies in general require large rate cuts," said Paul Hammett, international economist at Paribas Asset Management Ltd. "The rate cuts weren't huge, in fact they

were miserly, especially the discount rate's reduction," he said.  
As a result, no one is expecting the latest dose of interest-rate cuts to produce a rapid recovery for Europe's battered economies, even if they may go some way to easing the pain in six or nine months' time.  
European stock markets generally reacted

"The rate cuts weren't huge; in fact they were miserly."  
with disappointment to the cuts. The European component of the International Herald Tribune World Stock Index was unchanged, at 98.85. The FTSE index fell 31 points in London, the CAC-40 fell 29 points in Paris and in Frankfurt the DAX fell 9 points.  
Economists said a significant proportion of loans to industry and private individuals across Europe were made at fixed rates, which means that central-bank rate cuts can take a long time to filter through to the real economy.

## ECONOMIC SCENE

### Would It Be a Good Thing If Japan Were Like U.S.?

By Peter Passell  
*New York Times Service*  
NEW YORK — Anyone for Japan-bashing? It has long been a riskless sport in Washington. Labor approved, as did most big businesses. And Japanese leaders, loath to tamper with the alliance that meant peace and prosperity for decades, have carefully confined their contemptuous ripostes to domestic audiences.  
But the tone of the relationship is changing. While President Bill Clinton and Prime Minister Kiichi Miyazawa agreed to disagree, no one familiar with the bland diplomatic rhetoric that the Japanese have honed to an art form could interpret last week's exchange as business-as-usual.  
Mr. Miyazawa's reluctance to assume the traditional position of little brother does not mark the beginning of an economic Cold War. The U.S. connection is simply too important to Japan to be allowed to rupture over the details of rice quotas and imported auto parts. Indeed, to many economists dismayed by the U.S. administration's campaign to guarantee American companies a minimum share of the Japanese market, the biggest worry is that the gods may punish Mr. Clinton by giving him much of what he wants.  
Stripped to essentials, Washington's complaint is twofold. First, U.S. products have been discriminated against by Japan's clunky corporate system, in which back-scratching matters more than quality or price. As important, Japan has locked itself into an export-or-stagnate mode in which growth can come only at the expense of foreign competitors and domestic consumers.  
But in the view of many economists, this conventional political wisdom is at odds with the facts. Gary Saxonhouse, an economist at the University of Michigan, concedes that Japan is guilty of trade protectionism. But he points out that America has been an equal, sinner, notably in clothing, steel, dairy products, sugar and autos. What's more, Japan has walked many a mile to mollify Americans in recent years, transplanting much of its export capacity to American shores. "Since 1983," Mr. Saxonhouse noted, "our exports to Japan have grown rapidly more than our exports to Europe, while our imports have grown more slowly."  
The only reason the trade gap between the two countries has

## Drop in U.S. Orders Darkens Prospects

By Robert D. Hershey Jr.  
*New York Times Service*  
WASHINGTON — Orders for big-ticket U.S. factory goods slumped 3.7 percent in March, a widespread decline that was the biggest in 15 months, the Commerce Department reported Friday.  
The results were worse than expected and further dampened analysts' hopes for stepped-up economic expansion, even though the East Coast blizzard was once again cited as contributing to poor or lackluster March statistics.  
While orders may not have been affected as much as, say, industrial output or retail sales, economists said storms do disrupt the process by keeping executives from their offices and by aggravating any unwanted buildup of inventory.  
"We are also watching some slowdown in overall economic activity from what we came to enjoy in late 1992," said Brian J. Fabozzi, chief economist at Midland Global Markets. Mr. Fabozzi is among the large group of forecasters expecting gross domestic product for the first quarter to be just about half the 4.7 percent fourth-quarter pace when figures for the January-March period are reported next Thursday.  
Friday's report also showed that shipments of durable goods rose seven-tenths of 1 percent in March, while backlogs of unfilled orders fell 1.1 percent, in the first decline since November.  
Durable goods, items lasting three years or more ranging from microwave ovens to Roaming 747s, are the backbone of the industrial sector of the economy, with unfilled orders a widely followed predictor of general business conditions.  
The biggest factor in the tumble for new orders, at \$130 billion, was a 10.2 percent drop in transportation equipment, mainly aircraft and parts, following sizable offsetting swings in January and February.  
But there were also declines in every other major sector except defense, which rose only enough to partly recover from a 27.9 percent February collapse.  
The rise in military goods was 6.5 percent, the report also showed, but this left the sector about \$2 billion shy of the \$8.8 billion level posted in January.  
New orders for nonmilitary capital goods excluding commercial aircraft and parts declined 2.2 percent last month.

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Here's how to play. First, you pick any six numbers out of 45 for EACH GAME you want to play by circling your lucky numbers on the GAME BOARDS below. You can play up to 10 GAMES at once. The more GAMES you play - the better your chances of winning.  
You can play for a period of 9, 18 or 36 weeks. If you play for 18 weeks you can take advantage of the introductory offer and earn 1 week EXTRA PLAY (4 draws) FREE. If you play for 36 weeks you get 3 weeks EXTRA PLAY (12 draws) COMPLETELY FREE.  
Sponsored and Managed by six Australian State Governments  
The government supervised draws are held twice a week at 8:30 pm on Thursdays and Saturdays and shown live on Australian Television.  
When the numbers you've chosen match the winning numbers in any draw YOU WIN THE JACKPOT AND BECOME AN INSTANT MILLIONAIRE. If you have 3, 4 or 5 of the winning numbers correct you win one of the thousands of other cash prizes.  
The Prize Pool is divided into 5 divisions based on the number of correct numbers drawn. A special machine draws 6 numbered balls, then two extra numbered balls (called the bonus numbers) - making a total of 8 balls drawn. The more numbers you draw (up to all six correct), the more money you win.  
You're Notified as Soon as You Win  
After each draw, your numbers are checked automatically by our computer against the winning numbers and you're contacted as soon as you've won.  
You're paid in any currency you specify to any bank you nominate anywhere in the world.

GAME	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9			
10	11	12	13	14	15	16	17	18
19	20	21	22	23	24	25	26	27
28	29	30	31	32	33	34	35	36
37	38	39	40	41	42	43	44	45

Number of Games You Wish to Play	36 DRAWS (9 weeks)	75 DRAWS (18 weeks)	156 DRAWS (36 weeks)
ONE GAME	<input type="checkbox"/> US \$ 49	<input type="checkbox"/> US \$ 98	<input type="checkbox"/> US \$ 196
TWO GAMES	<input type="checkbox"/> \$ 98	<input type="checkbox"/> \$ 196	<input type="checkbox"/> \$ 392
THREE GAMES	<input type="checkbox"/> \$ 147	<input type="checkbox"/> \$ 294	<input type="checkbox"/> \$ 588
FOUR GAMES	<input type="checkbox"/> \$ 196	<input type="checkbox"/> \$ 392	<input type="checkbox"/> \$ 784
SIX GAMES	<input type="checkbox"/> \$ 294	<input type="checkbox"/> \$ 588	<input type="checkbox"/> \$ 1176
TEN GAMES	<input type="checkbox"/> \$ 490	<input type="checkbox"/> \$ 980	<input type="checkbox"/> \$ 1960

EXTRA DRAWS FREE	You get 4 draws FREE	You get 12 draws FREE
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTOMATIC RENEWAL	INITIAL FEE
<input type="checkbox"/>	<input type="checkbox"/>

Currency	Per \$	Currency	Per \$	Currency	Per \$
Australian	0.70	Hong Kong	7.75	Malaysia	1.48
British	1.63	India	16.25	Netherlands	1.80
Canadian	1.33	Japan	107.00	Portugal	200.00
Dollar	1.00	South Africa	12.50	Spain	166.64
French	6.55	Taiwan	35.00	Switzerland	1.73
German	1.93	USA	1.00	Thailand	50.00
Italian	1.36	UK	1.00	Yemen	250.00
Japanese	107.00	Other	1.00		

## CURRENCY & INTEREST RATES

Cross Rates	April 23	Eurocurrency Deposits	April 23
American \$	1.00	Dollar	1.00
British £	1.63	D-Mark	1.93
Canadian C\$	1.33	Swiss Franc	1.36
French F	6.55	Sterling	1.63
German M	1.93	Yen	107.00
Italian L	1.36	ECU	1.93
Japanese Y	107.00		
Portugal Esc	200.00		
Spain Ptas	166.64		
Switzerland S	1.73		
Thailand B	50.00		
Yemen R	250.00		

Key Money Rates	Close	Prev.	British	Bank base rate	4.00	4.00
Discount rate	3.00	3.00	Call money	4.00	5%	5%
Prime rate	4.00	4.00	3-month interbank	4.00	5%	5%
Federal funds	2.75	2.75	6-month interbank	4.00	5%	5%
Commercial paper 90 days	3.12	3.12	12-month interbank	4.00	5%	5%
3-month Treasury bill	3.12	3.12	18-month interbank	4.00	5%	5%
6-month Treasury bill	3.12	3.12	24-month interbank	4.00	5%	5%
1-year Treasury bill	3.12	3.12	3-year interbank	4.00	5%	5%
3-year Treasury note	5.00	5.00	4-year interbank	4.00	5%	5%
5-year Treasury note	5.00	5.00	5-year interbank	4.00	5%	5%
30-year Treasury bond	5.00	5.00	10-year interbank	4.00	5%	5%
10-year Treasury note	5.00	5.00	15-year interbank	4.00	5%	5%
15-year Treasury note	5.00	5.00	20-year interbank	4.00	5%	5%
30-year Treasury bond	5.00	5.00	25-year interbank	4.00	5%	5%
10-year Treasury note	5.00	5.00	30-year interbank	4.00	5%	5%
15-year Treasury note	5.00	5.00	35-year interbank	4.00	5%	5%
30-year Treasury bond	5.00	5.00	40-year interbank	4.00	5%	5%

MARKET DIARY

Doubts on Economy Pull Down Stocks

Bloomberg Business News NEW YORK — Stocks fell for the fifth day in a row after the U.S. government said orders for durable goods had fallen by the steepest amount in more than a year.

N.Y. Stocks

weekend's referendum on President Boris Yeltsin's future as president of Russia, traders said.

Stocks declined after the Commerce Department reported that orders for big-ticket items such as airplanes, cars and appliances had fallen 3.7 percent in March, the biggest drop since December 1991.

"The durable-goods report provided more evidence that the economic recovery is stalling," said Tony Cecin, director of equity trading at Piper, Jaffray & Hopwood Inc. "If the economy continues to lose its strength, it raises serious questions about the

strength of earnings in the third and fourth quarters.

Going against the trend, American Express Co. and Amgen Inc. reported better-than-expected earnings for the first quarter, triggering gains in those stocks.

American Express gained 1.29% to 29 1/2 after the travel and financial-services company reported first-quarter profit from operations of 75 cents a share, up from 51 cents.

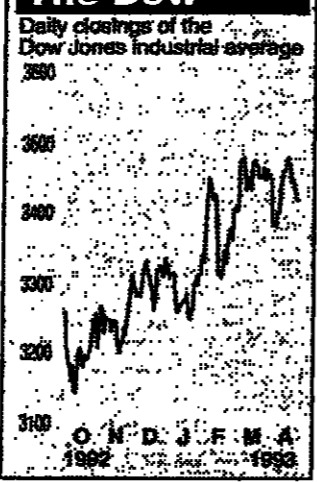
Amgen rose 4% to 39 1/2. The biotechnology company reported first-quarter earnings of 61 cents a share, including an accounting gain of six cents a share.

But overall, investors were discouraged by the stock market's failure to sustain a rally Thursday, even after Germany cut interest rates, traders said, as well as by higher Treasury bond yields.

"The weakness in the Treasury market even after the weak durable-goods report is a concern to some people," said Dale Tills, manager of institutional equities trading at Charles Schwab & Co.

Trading was moderate, with about 259 million shares changing hands on the Big Board.

The Dow



NYSE Most Active

Table listing the most active stocks on the NYSE, including AMD, Amgen, American Express, and others, with columns for volume, high, low, and change.

AMEX Most Active

Table listing the most active stocks on the AMEX, including Royal, Amgen, and others, with columns for volume, high, low, and change.

NYSE Diary

Table providing a daily summary of market activity, including advanced, declined, and unchanged issues, with columns for volume and price.

AMEX Diary

Table providing a daily summary of market activity on the AMEX, including advanced, declined, and unchanged issues, with columns for volume and price.

MASDAQ Diary

Table providing a daily summary of market activity on the NASDAQ, including advanced, declined, and unchanged issues, with columns for volume and price.

Dow Jones Averages

Table showing the Dow Jones Industrial Average and other market indices, including S&P 500, NYSE, and AMEX.

Standard & Poor's Indexes

Table showing Standard & Poor's Indexes, including Industrials, Utilities, and Finance.

NYSE Indexes

Table showing NYSE Indexes, including Industrials, Utilities, and Finance.

MASDAQ Indexes

Table showing MASDAQ Indexes, including Composite, Industrials, and Finance.

AMEX Stock Index

Table showing the AMEX Stock Index, including Industrials, Utilities, and Finance.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages, including 20-Year, 10-Year, and 5-Year bonds.

Market Sales

Table showing Market Sales, including NYSE, AMEX, and NASDAQ, with columns for volume and value.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading, including volume and value for various stocks.

EUROPEAN FUTURES

Table showing European Futures, including Coffee, Wheat, and other commodities.

Food

Table showing Food futures, including Coffee, Wheat, and other commodities.

Metals

Table showing Metals futures, including Aluminum, Copper, and other metals.

Stock Indexes

Table showing Stock Indexes, including FTSE 100, Nikkei, and other indices.

Spot Commodities

Table showing Spot Commodities, including Aluminum, Copper, and other metals.

Dividends

Table showing Dividends, including companies and their dividend amounts.

Financial

Table showing Financial data, including 3-month and 6-month yields.

Industrials

Table showing Industrials, including GSOH, Dow Jones, and other indices.

U.S. / AT THE CLOSE

Exxon Earnings Fell 8.4% in Quarter

IRVING, Texas (UPI) — Exxon Corp., the world's largest oil company, reported Friday that its first-quarter earnings had dropped 8.4 percent, due to weak profit margins in petroleum products and chemicals.

Allstate Drops Florida Policyholders

MIAMI (AP) — Stunned by Hurricane Andrew, Allstate Insurance Co. plans to drop about 300,000 Florida policyholders and wants to raise rates for those it keeps.

IBM Spins Off Adstar as Subsidiary

NEW YORK (AP) — IBM, searching outside the company for new leaders, named a Silicon Valley executive Friday as chairman and chief executive of its \$6 billion computer-disk-drive business.

James River to Close 2 Paper Mills

RICHMOND, Virginia (AP) — James River Corp. said Friday it would reduce its work force by 2,000 and close two mills this year in an effort to improve its financial performance.

Coke Makes New Bid to Enter India

NEW DELHI (UPI) — Coca-Cola Co., kicked out of India in the late 1970s, has asked the government for permission to re-enter the large Indian soft-drink market, industry Ministry officials said Friday.

PESETA: Spain Under Pressure

(Continued from page 1) tion is not indispensable since Spanish exports have been increasing much more than imports," the official said.

Nonetheless, few believe Spain can sustain interest rates of almost 10 percent above inflation with its economy in a tailspin and unemployment rising close to 20 percent.

Foreign Exchange

tions in which the governing Socialist Party is likely to lose power to the populist Popular Party, analysts said.

The peseta was last devalued by 6 percent in November, along with the Portuguese escudo.

Durables Hit Dollar

The dollar tumbled against the yen and Deutsche mark on Friday after the U.S. government said Friday

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World Bank Plans Huge Loan to Russia

WASHINGTON — In one of the biggest Western efforts to assist Russia's oil industry, the World Bank announced Friday that it had reached an agreement to help finance a \$1 billion project to increase Russia's oil output.

The World Bank said it would provide more than \$500 million in loans toward the plan, which aims to boost output by \$1.5 billion a year by reopening 1,200 oil wells that have been closed

because of a lack of spare parts, inadequate maintenance and other problems.

The plan will increase Russia's output by 33,000 tons per day, the World Bank said, helping to increase Russia's annual production by 3 percent.

World Bank officials said they hoped the plan would enable Russia to increase its exports and hard-currency revenues, thus reducing its dependence on Western aid and easing its painful transition to a market economy.

WORLD STOCK MARKETS

Table showing world stock markets for various cities including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Singapore, Stockholm, and Zurich.

Table showing world stock markets for various cities including Tokyo, Sydney, Sao Paulo, and Zurich.

U.S. FUTURES

Table showing U.S. futures markets for various commodities including Wheat, Corn, Soybeans, Cattle, and other goods.

U.S. / AT THE CLOSE

Table showing U.S. market data at the close, including stock indices, commodity prices, and interest rates.

# Sweden's Model Is Becoming a Myth Conflict Overshadows Decades of Industrial Harmony

**Stockholm** — After more than half a century of virtual harmony, the Swedish model of industrial relations is fast degenerating into a sour, ideological conflict between labor and management.

Union leaders blame the conservative prime minister, Carl Bildt, for the remorseless rise in unemployment and accuse bosses of harking back to the bad old days of the 1930s.

The main employers' organization, SAF, in turn accuses the union leaders of using outdated Marxist jargon while cynically protecting their cosy fiefdoms at the expense of the unemployed.

"The situation is polarizing," said one academic political analyst in Stockholm, who asked not to be identified. He said the atmosphere was similar to, if not worse than, eight years ago, when Sweden was crippled by a short but widespread strike.

On a visit to Sweden last week, the president of the EC Commission, Jacques Delors, praised "the Swedish model," a pact between employers, workers and the state, which was seen abroad as an example of how to handle structural economic change without conflict.

Since 1938, employers and unions have negotiated with each other through central

organizations while the state provided underlying social security for the work force through a system of unemployment and other welfare benefits.

The unique social pact enabled Sweden to switch rapidly and painlessly out of its uncompetitive shipbuilding industry in the 1960s, but private employers say the old model is now too cumbersome and the built-in payments system too costly.

The battle lines are forming over a proposed change to the 1974 law on job protection, known as LAS. Trade unions and the Social Democrats say they will fight any attempt to water down the law, which lays down strict procedures for hiring and firing and stipulates a last-in, first-out rule on layoffs.

"The government wants us to strengthen the position of employers, particularly small businesses, and help all workers rather than those represented by trade unions," said Ake Bouvin, impartial chairman of a committee set up by the government.

Mr. Bouvin's committee recommends extending the period of job probation to nine months from six and temporary job contracts to 12 months from six.

It would give managers the chance to

exempt 20 percent of the work force from the last-in, first-out rule and make a clearer distinction between full-time and contract workers.

Disloyalty, refusal to work in a team and damaging client contacts would be new grounds for dismissal, and the rules on misconduct or crime would be simpler and tougher.

Swedish police complained recently, for example, that a labor tribunal reinstated two officers in Stockholm dismissed for a criminal offense.

"By signaling they want to weaken this law, the bourgeois government is declaring war on the labor movement and social democracy," said a Social Democrat, Ingela Thalen. "If they want a fight, they can have it."

Metal and print workers have said they may strike over the employers' refusal to sign collective wage deals, further poisoning the political atmosphere before the traditional May Day labor rallies.

Widespread labor unrest is the last thing Sweden needs, in the thick of its worst recession since World War II. Outright unemployment is 7.1 percent. The same percentage is out of work but on short-term job-creation and training programs.

# Major Proclaims End of Recession, But Doubts Linger

**Manchester** — Prime Minister John Major, buoyant over recent economic data, said Friday that Britain was about to end its recession and become the fastest-growing of all major EC countries.

Britain is expected to report the first clear rise in gross domestic product since mid-1990 when first-quarter figures are released Monday. In a speech to a business audience in Manchester, Mr. Major said, "Britain is set for two years of solid growth, growth that is the fastest in the EC big league."

But even amid the current euphoria of bullish data, some cautioned against celebration, stressing the long-term threat of ballooning government borrowing and a big foreign-trade deficit. In addition, an academic forecasting concern said it was pessimistic on British job growth as productivity continued to lag, and the stock market fell, reflecting a host of uncertainties.

Mr. Major, however, took his cue from two other sets of data released Friday. He hailed as "very encouraging" a report from the Central Statistical Office that retail sales had jumped 0.5 percent in March after a 0.1 percent rise in February. The result surprised economists, who had forecast that sales would be flat.

On the trade front, meanwhile, Britain's trade gap with non-European Community countries narrowed to £920 million (£1.42 billion) in March, from £1.25 billion in February, with the value of exports jumping by 6 percent. Mr. Major picked up this theme in

Manchester as well, saying Britain's recovery would emphasize manufacturing and exporting and playing down the prominence given to the services sector by his predecessor, Margaret Thatcher, during the 1980s.

"Vital though services are to our prosperity, we cannot depend on them alone," Mr. Major said. "We need a vibrant, thriving manufacturing base."

"Winning back lost markets is the only long-term policy for British industry — for the whole economy. And manufacturing is the soldier in the frontline of that struggle."

But at the same time, the academic organization Oxford Economic Forecasting said in its quarterly report that productivity in Britain remained below levels in other countries, which meant only "limited net hiring" as the economy recovered.

And the London stock market still appeared to need convincing, as the FT-SE 100 index of leading British equities fell 37.3 points, or 1.29 percent, to close at 2,843.8.

Mr. Major, who is becoming increasingly outspoken in his commitment to Europe, also dismissed domestic political opposition to the Maastricht treaty, saying the pact would help build what Britain wanted — "a trading Europe."

"Maastricht opens the way to the sort of Community we want," he said. "Taking the essential step away from centralization, we gain the benefits of the single market without the drawbacks."

Investor's Europe			
Exchange	Index	Friday Close	Prev. Close
Frankfurt DAX	1,800	1,800	1,800
London FTSE 100 Index	2,800	2,843.8	2,881.1
Paris CAC 40	1,800	1,800	1,800
Amsterdam CBS Trans	110.00	110.00	111.30
Brussels Stock Index	6,193.46	6,225.66	6,252.00
Frankfurt DAX	1,800	1,800	1,800
Frankfurt FAZ	687.33	688.16	687.18
Helsinki HEX	1,116.58	1,106.95	1,106.95
London Financial Times 20	3,240.59	3,282.30	3,282.30
London FTSE 100	2,843.80	2,881.10	2,881.10
Madrid General Index	294.20	294.30	294.30
Milan ISE	1,178.00	1,164.00	1,164.00
Rosia CAC 40	1,816.58	1,844.46	1,844.46
Stockholm Affarsvecklingen	1,250.00	1,268.72	1,268.72
Vienna Stock Index	364.86	365.22	365.22
Zurich SBS	728.28	744.20	744.20

### Very briefly:

- Argentinian Corporación Bancaria de España SA has priced the bank's public offering at 3,800 pesos (\$32.71) a share, an official said. The Spanish government is selling a maximum of 24.99 percent of the bank.
- Fokker NV said it had agreed after talks with unions to reduce the number of compulsory layoffs it is seeking this year to 1,395, out of the 2,118 planned job cuts it announced last month, from 1,790.
- Germany had a balance-of-payments deficit of 12.1 billion Deutsche marks (\$7.56 billion) in February, the Bundesbank reported.
- A suit against Crédit Lyonnais over the sale of Metro Goldwyn Mayer can go ahead, a court in Los Angeles ruled, rejecting the French bank's motion to dismiss the action by Kirk Kerkorian, MGM's former owner.
- Israel Military Industries had a loss of \$213 million in 1992, a spokesman for the state-owned concern said.

# Pearson Expands TV Role With Thames

**London** — Pearson PLC said Friday it was making a friendly bid, worth £99 million (\$155 million), for Thames Television PLC, Britain's biggest independent TV program producer.

Frank Barlow, the managing director of Pearson, said the purchase, which has already been approved by Thames's major

shareholder, Thorn EMI PLC, would effectively create a television division for the conglomerate. Pearson, which owns the Financial Times, holds a stake of 17.5 percent in the satellite broadcaster BSkyB and just under 15 percent in Yorkshire Television, which broadcasts to northeast England.

Mr. Barlow said that under British competition rules, Pearson was

restricted to its current involvement in the British broadcasting market. The acquisition of Thames, which has no broadcast license, is a "very good one," he said, because it strengthens the company's television business.

"I think there's ample scope for profits in this kind of business," Mr. Barlow said. "We expect it to contribute to profits in its first full year

and in the nine months as well." But some analysts questioned how valuable Thames, which lost its license in the 1991 auction of commercial franchises, would be in the long run. "The quality of earnings from production companies is pretty low," said Louise Barton, an analyst at the stockbrokerage Henderson Crosthwaite.

# BUNDESBANK: Rate Cuts Aren't Enough to End Europe's Recession

**Frankfurt** — The French economy will take many months to start recovering, however.

Meanwhile, the government is forecasting a rise of between 150,000 and 200,000 in France's record 3 million unemployed, already accounting for 10.6 percent of the work force. Economy Minister Edmond Alphandery says he sees no recovery before the end of this year or even early next.

"In spite of all the French authorities' efforts to revive the economy through interest-rate cuts, economic growth will remain extremely sluggish in the two to three years to come," said Jean-François Mercier at Salomon Brothers in London.

The French economy will probably pick up in the second half of this year, he said, but too late to prevent France's gross domestic product contracting by 0.3 percent in 1993.

In Italy, which is facing a wave of political corruption scandals and which saw its economy shrink 0.3 percent in the fourth quarter of last year, the Bank of Italy's rate cut is unlikely to have a big impact on the real economy, analysts said.

"It will help companies lighten the weight of their debt, but that's not the main factor in the current recession," said Rosella Soier, an economist at Enron's Italian branch. "The problem is that internal demand is depressed."

She said internal demand in Italy was not much affected by interest rates, since demand was being held back by new taxes introduced last year, fear of taxes to be introduced this year, and wage growth that is below the inflation rate.

Even cuts in base lending rates by Italian banks Thursday are unlikely to have much impact on Italian companies, since few have

access to borrowing at that level and base rate cuts are not reflected throughout banks' interest rate structure.

Germany, which sparked the interest-rate cuts, could be one of the last countries to benefit. It is still heading into recession, whereas most of its European neighbors are struggling to emerge from prolonged periods of weakness.

"It would be totally wrong to expect a fundamental recovery of the German economy from this move," said Jörg Beyfus, senior economist at the IW economics research institute in Cologne. "Monetary policy on its own can't put a brake on the steep slide of the economy."

The Bundesbank's rate cuts Thursday were its third this year.

"The important aspect of the rate cut is its psychological side," said Thorsten Neufeld, economist at Deutsche Bank.

# COMPANY RESULTS

Company	1st Qtr. 1993	2nd Qtr. 1993	1st Qtr. 1992	2nd Qtr. 1992
<b>Philip Morris</b>	Revenue: 1,407	Revenue: 1,407	Revenue: 1,407	Revenue: 1,407
<b>Rockwell Int'l</b>	Revenue: 1,275	Revenue: 1,275	Revenue: 1,275	Revenue: 1,275
<b>Sear's Roebuck</b>	Revenue: 1,126	Revenue: 1,126	Revenue: 1,126	Revenue: 1,126
<b>Southwestern Bell</b>	Revenue: 1,000	Revenue: 1,000	Revenue: 1,000	Revenue: 1,000
<b>Texas Instruments</b>	Revenue: 950	Revenue: 950	Revenue: 950	Revenue: 950
<b>Times Mirror</b>	Revenue: 850	Revenue: 850	Revenue: 850	Revenue: 850
<b>United States</b>	Revenue: 750	Revenue: 750	Revenue: 750	Revenue: 750
<b>Public Service Ent.</b>	Revenue: 650	Revenue: 650	Revenue: 650	Revenue: 650
<b>Scott Paper</b>	Revenue: 550	Revenue: 550	Revenue: 550	Revenue: 550
<b>Spring Industries</b>	Revenue: 450	Revenue: 450	Revenue: 450	Revenue: 450
<b>Sun Microsystems</b>	Revenue: 350	Revenue: 350	Revenue: 350	Revenue: 350
<b>Stanley Works</b>	Revenue: 250	Revenue: 250	Revenue: 250	Revenue: 250
<b>Stearns-Williams</b>	Revenue: 150	Revenue: 150	Revenue: 150	Revenue: 150
<b>Temple-Inspire</b>	Revenue: 100	Revenue: 100	Revenue: 100	Revenue: 100
<b>TransAmerica</b>	Revenue: 50	Revenue: 50	Revenue: 50	Revenue: 50

# NASDAQ

**Friday's Prices**  
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Div	Yld	PE	52 Wk High	52 Wk Low	Label	Chg
100	100				100	100	IBM	0
100	100				100	100	Microsoft	0
100	100				100	100	Oracle	0
100	100				100	100	Sun	0
100	100				100	100	VeriFone	0

12 Month High	Low	Div	Yld	PE	52 Wk High	52 Wk Low	Label	Chg
100	100				100	100	WorldCom	0
100	100				100	100	Qwest	0
100	100				100	100	Level 3	0
100	100				100	100	Opticon	0
100	100				100	100	Telefonos	0

12 Month High	Low	Div	Yld	PE	52 Wk High	52 Wk Low	Label	Chg
100	100				100	100	WorldView	0
100	100				100	100	WorldNet	0
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0

12 Month High	Low	Div	Yld	PE	52 Wk High	52 Wk Low	Label	Chg
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0

12 Month High	Low	Div	Yld	PE	52 Wk High	52 Wk Low	Label	Chg
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0

12 Month High	Low	Div	Yld	PE	52 Wk High	52 Wk Low	Label	Chg
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0
100	100				100	100	WorldWideWeb	0

# Seoul Sees Chip-Sales Boom U.S. Dumping Duties to Have Little Effect

SEOUL — South Korean chip exports to the United States are expected to boom this year despite Washington's decision to impose increased anti-dumping duties.

"Despite the final anti-dumping duties, our exports to our biggest market will increase this year," a Trade Ministry official said Friday. Analysts agreed that the decision would have little impact on South Korea's exports.

The U.S. International Trade Commission ruled Thursday that South Korea had dumped dynamic random-access memory chips and thereby caused harm to American manufacturers of the advanced computer chips.

Dumping means the sale of exported goods at prices well below those charged in their home country, or below their cost of production, to obtain a market advantage in another country—a violation of international trading rules.

The tariffs imposed as a result were in some cases higher than those announced initially by American officials, amounting to 11.45 percent on products from Hyundai Electronics Co., 0.82 percent on Samsung Electronics Co., and an unchanged 4.97 percent on Goldstar Electron Co.

South Korea is a major producer of dynamic

random-access memory chips, which make up about a quarter of world semiconductor output. D-RAMs account for about 5 percent of the cost of the average personal computer.

The three South Korean companies said they could assimilate the extra import duties gradually through restructuring, cutting production costs and other economy measures.

"The duty is much higher than expected, but the decision is not of particularly great concern," said a spokesman for Hyundai, which exports 30 percent of its products to the United States.

But Kim Chi Luck, president of the Korea Semiconductor Industry Association, called the duties "unfair" and said, "We are confident we will reverse the duties at a final review in 1995."

The battle over South Korean D-RAMs began long before President Bill Clinton took office, after Micron Technology, a chip manufacturer based in Boise, Idaho, made allegations of dumping.

The United States took \$908 million of South Korea's \$2.12 billion in D-RAM exports in 1992.

The Trade Ministry expects sales to the United States to increase to \$1 billion this year out of total exports of \$2.3 billion.

"D-RAM supply is short nowadays because of the revitalization of the U.S. computer industry," said Rhee Namuh of Jardine Fleming Securities.

# Top Japanese Banks' Ratings Are Cut by S&P and Moody's

**Compiled by Our Staff From Dispatches**

TOKYO — Top Japanese banks had their debt downgraded by international rating agencies Friday in a move reflecting continued concern over the banks' loan quality.

Standard & Poor's Asia said it had reduced its ratings for four top Japanese trust banks: Daiwa Bank, Industrial Bank of Japan, Sanwa Bank and Tokai-Mitsubishi Bank.

S&P cited the high level of problem loans to borrowers affected by the collapse of Japan's "bubble" economy, principally the real estate and construction sectors as well as to nonbank financial institutions. The burden of writing off these loans would put pressure on the banks' profitability, S&P said.

Moody's Investors Service, meanwhile, downgraded the long-term credit ratings of Sumitomo Bank Ltd. and Fuji Bank Ltd. Moody's lowered both banks' se-

nior debt rating, as well as the rating for long-term deposits, to A1 from A2.

The long-term ratings to the banks' guaranteed subsidiaries were also downgraded to A1 from A2. In total, about \$3.5 billion in debt securities was affected by the downgrades.

Moody's said the Sumitomo downgrade, affecting \$3.8 billion, partly reflected the bank's exposure to the troubled trading company Itoyan Corp.

Moody's said the downgrade of Fuji, which affects \$4.7 billion, followed the bank's assistance to several troubled borrowers, especially to affiliated nonbank financial institutions.

Despite the downgrades, and S&P's assessment that the outlook remains negative for the industry as a whole, some analysts said the worst may be over for Japanese banks.

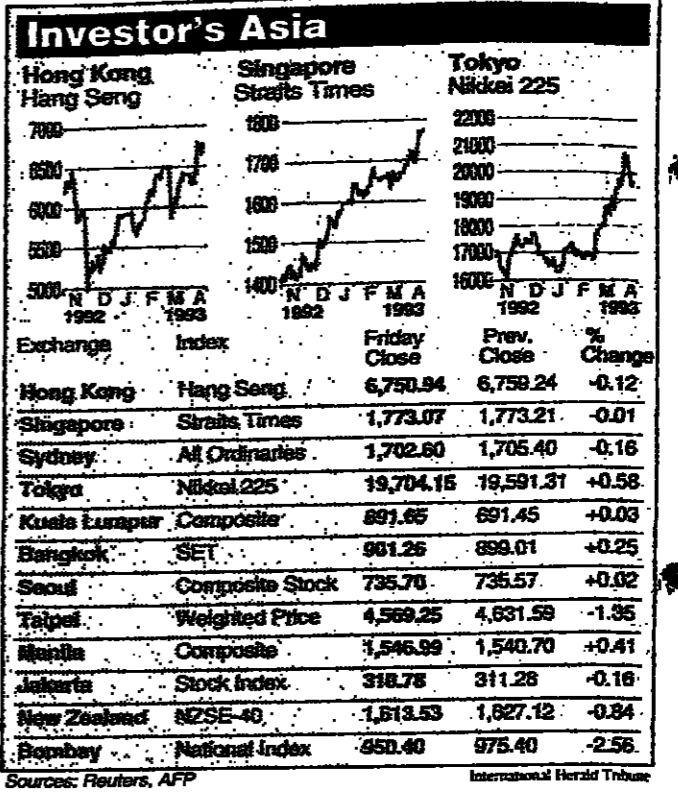
"For several years now there's

been a trend of downgrading trust banks," said Walter Alther, an analyst at W.I. Carr. "Trust banks are suffering significantly during this downgrading. They were one of the most heavily hit by the bursting property bubble and decline of the stock markets," he said.

"The worst is over now," said Kazuhito Sasajima of the Nikko Research Center. "Stocks are up, which increases commissions, the real-estate slump seems to be bottoming out and profits from fund trusts are expected to increase during the first half of 1993."

Moody's noted that despite the problem loans, both Sumitomo and Fuji had strong retail networks.

Sumitomo is thus expected to remain "one of the most formidable banks in Japan and the world," the U.S. ratings agency said, while Fuji is expected to be an "ultimate beneficiary" of Japanese financial reforms. (Bloomberg, AFP)



# FOREIGN: Japanese Carmakers Now Feel Like Outsiders in Washington

(Continued from first finance page)

number of vehicles they can sell in the United States.

Adding to their concern is the unusual access that America's Big Three car companies — General Motors Corp., Ford Motor Co. and Chrysler Corp. — now have with the White House.

"It's unfair. It's discrimination," said John E. Reilly, president of the international manufacturers asso-

ciation, a group based in Arlington, Virginia, representing 15 major Japanese and European automakers.

According to the foreign automakers' group, 26 percent of the 5.5 million passenger cars built in the United States in 1992 were made by foreign-owned companies, which employ one-third of the nearly 1 million people involved in the manufacture, distribution and

sale of cars and trucks in the United States.

Big Three officials met with Mr. Clinton when he was a presidential candidate and the president-elect and have seen him again as president. They have met with Commerce Secretary Ronald H. Brown and with Trade Representative Mickey Kantor.

Meanwhile, foreign auto representatives say they cannot get through the door of the White

House or the Commerce Department.

Jim Desler, spokesman for Mr. Brown, acknowledged that the secretary had not met with officials of foreign auto companies.

Mr. Brown, like other cabinet members in the administration, is still trying to fill vacancies in his department. Mr. Desler said, "Once we have our team in place, we'll be reaching out to more people," he said.

# Murdoch-Packer TV Deal

SYDNEY — Two of the world's most prominent media barons, Rupert Murdoch and Kerry Packer, joined forces on Friday to set up a satellite-television business in Australia.

Mr. Murdoch's News Corp., Mr. Packer's Nine Network Australia and the government-owned Telecom Australia said they had agreed to form a consortium to develop and operate

a pay-TV business on a long-term basis.

"The first step the consortium will take is to bid for a satellite pay-television business," the companies said.

Australia's Labor government, embroiled in controversy over its plans for pay TV, is expected to award two four-channel satellite licenses after bids close next Wednesday.

# Very briefly:

- A group of 20 Japanese and Western commercial banks will extend \$1.5 billion in loans to build an oil refinery in Thailand; this is believed to be the largest concerted loan for a development project in Southeast Asia.
- Vietnam will need about \$25 billion in external investment up to the year 2000, the vice chairman of the State Planning Committee, Vo Hong Phuc, said at a meeting with the International Monetary Fund.
- Kerry Packer, the Australian media tycoon, exercised options over 17.7 million shares in Westpac Banking Corp., lifting his direct stake to more than 8 percent and fueling rumors he was warehousing a major buyer.
- Hong Kong's consumer price index rose 7.8 percent in March from a year earlier, its lowest growth since December 1988, the government said.

# DEFICIT: U.S. Bid to Guarantee Japanese Market Share Could Backfire

(Continued from first finance page)

recently widened, he argues, is because Japan is heading into a recession, while America is already out of it.

Jagdish Bhagwati, an economist at Columbia University, worries less about the nature of the U.S. trade complaint than the proposed fix. The president, Mr. Bhagwati pointed out, is taken with "managed trade"—the trade equivalent of affirmative action.

Mr. Clinton wants Tokyo to guarantee that a minimum percentage of Japan's industrial needs will be purchased from U.S. suppliers.

That might seem harmless

enough if the products in question were, say, microprocessors or communications satellites, where U.S. technology and prices are very competitive. But once you start down this road, Mr. Bhagwati says, it is the weak industries that fight hardest for guaranteed markets, not the strong ones.

The new political enthusiasm for managed trade, championed by the White House chief economist, Laura D'Andrea Tyson, has driven much of the free-market-oriented economics establishment to embrace what is seen as lesser evils: managed currency exchange rates

or managed Japanese domestic demand.

Presidents George Bush, Ronald Reagan and Jimmy Carter tried to encourage the Japanese to consume and invest more at home, leaving less surplus production to export. That is one reason why Japan announced a big fiscal stimulus package on the eve of Mr. Miyazawa's visit to Washington.

One catch with that approach is that the stimulus probably will not have as much oomph as advertised.

But the bigger catch, one that calls into question the whole thrust of the Clinton diplomatic exercise,

is that Americans may soon regret any success in making the Japanese more like them. Among the rich countries, only Japan is, on balance, a major exporter of capital.

And if Japan is bled into joining the no-money-down crowd, where will the trillions of dollars worth of fresh capital be found to bring Eastern Europe, the former Soviet Union, China, India and most of Latin America into the community of developed economies?

read THE MONEY REPORT every Saturday in the IHT

# NINTENDO: Game Company's Stock Starts Looking Like a Losing Play

(Continued from first finance page)

more than 9 percent, from 10,600 yen on Dec. 30 to 9,560 yen on Friday.

Analysts do not foresee a collapse of the video-game market, like the one that damaged Atari Corp. in the mid-1980s. But they see the market growing more slowly and becoming subject to more competition.

The biggest competitor is Sega, based in Tokyo, which is well known for its Sonic the Hedgehog game. While Nintendo is still the market leader by far in Japan, Sega's Genesis machine has drawn roughly even

with Nintendo's Super NES in the United States and Europe, analysts say. New competition looms as well, including the threat posed by 3DO Co., a Silicon Valley start-up.

The competition threatens the core of Nintendo's software, which is software. Outside software companies that develop games for Nintendo machines must allow Nintendo to manufacture the game cartridges. The software companies then buy the cartridges from Nintendo and resell them. This gives Nintendo a profit on each software package and accounts for the company's high profit margins.

But with Sega providing an alternative, some software companies may desert Nintendo or demand more favorable terms. Capcom, a leading software company known for its Street Fighter II game, has already said it will start developing games for Sega as well.

"I think software companies will start taking back more of their profit," said Mr. Goto of Warburg. For Nintendo, he said, that means "the fundamental profit-making structure is changed."

Another concern for analysts is that Sega seems to be beating Nintendo technologically. Sega scored its big gains in market share because it was first to market a 16-bit game machine, which offered better images than the 8-bit machine Nintendo was selling.

Sega is also selling a CD-ROM attachment for its Genesis machine, offering games with video images and better sound, while Nintendo has not yet said when it will introduce its CD-ROM player. Sega said this month that it would distribute video games electronically over the cable-television systems of the two largest American cable operators, Tele-Communications Inc. and Time Warner Inc.

### AMEX Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock	Div	Yld	PE	52	High	Low	Last	Chg
99% AMEX	540.59	1.77	18.6	18	540.59	540.59	540.59	+0.10
99% AMEX	1,141.43	1.18	18.6	18	1,141.43	1,141.43	1,141.43	+0.10
99% AMEX	2,446.40	1.18	18.6	18	2,446.40	2,446.40	2,446.40	+0.10
99% AMEX	3,751.73	1.18	18.6	18	3,751.73	3,751.73	3,751.73	+0.10

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ALFRED BERG SICAV — GLOBAL:  
USD 0.27 per share

ALFRED BERG SICAV — GERMANY:  
DEM 0.23 per share

ALFRED BERG SICAV — UNITED KINGDOM:  
GBP 0.35 per share

These dividends will be paid on/after May 05, 1993 to shareholders of record on April 16, 1993 and to holders of bearer shares upon presentation of coupon nr. 2. The ex-dividend date is April 19, 1993.

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12 Month High Low Stock	Div	Yld	PE	52	High	Low	Last	Chg
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NYSE

Friday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Week High, Low, Last Close. Lists various stocks and their performance.

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AMERICAN INVESTMENT SERVICES CO. (A.I.S.)

Table listing various investment funds and their details, including fund names, share classes, and performance metrics.

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AS - Australia; D - Dollars; S - Swiss Francs; B - Belgian Francs; C - Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit; FF - French Francs; G - Guilders; H - Hong Kong Dollars; I - Italian Lira; J - Japanese Yen; L - Luxembourg Franc; M - Marks; N - Netherlands Guilder; P - Pounds; S - Swiss Francs; T - Taiwan Dollars; U.S. - U.S. Dollars; Y - Yen; Z - Zairean Shilling; \* - Other; Price last 3/4 point; charge; - Paris exchange; - not available; - not registered with regulatory authority.

AMEX High-Lows

Table listing AMEX High-Lows for various stocks, including columns for stock names, high, low, and last price.

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ADVERTISMENT

INTERNATIONAL FUNDS

April 23, 1993

Quotations supplied by funds. Most values are based on the previous day's closing prices. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - quarterly; (t) - twice weekly; (m) - monthly.

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Vertical text on the right edge of the page, possibly a page number or additional page information.

THE MONEY REPORT

FIRST COLUMN

In Currency Markets Power Pays

INDEPENDENT it may or may not be, but the Bundesbank is certainly good for the occasional surprise. This week's decision to lower interest rates, was greeted with huge sighs of relief around Europe, and a collective and immediate slackening of many European interest rate belts.

Is There Energy in Oil Stocks?

By Conrad de Aenlle

OIL bugs, like gold bugs, stir out of their torpor at the slightest bounce in prices, hoping that now, finally, their dogs will have their day. Then came the parabolic spike before the Gulf War and the equally precipitous fall back down the chart when the first bombs were dropped. Since then, prices have hardly budged.

moment," Mr. Hudson said. "The industry appears to be waking up to the view that there is in fact now a limited inventory of gas in the system. The cushion that has been perceived so long to exist is not there. The long-heralded end in the gas surplus may now be beginning."

maintaining export revenues as much as they possibly can. Even if there's serious political disruption, exports have kept up through thick and thin to earn hard currency."

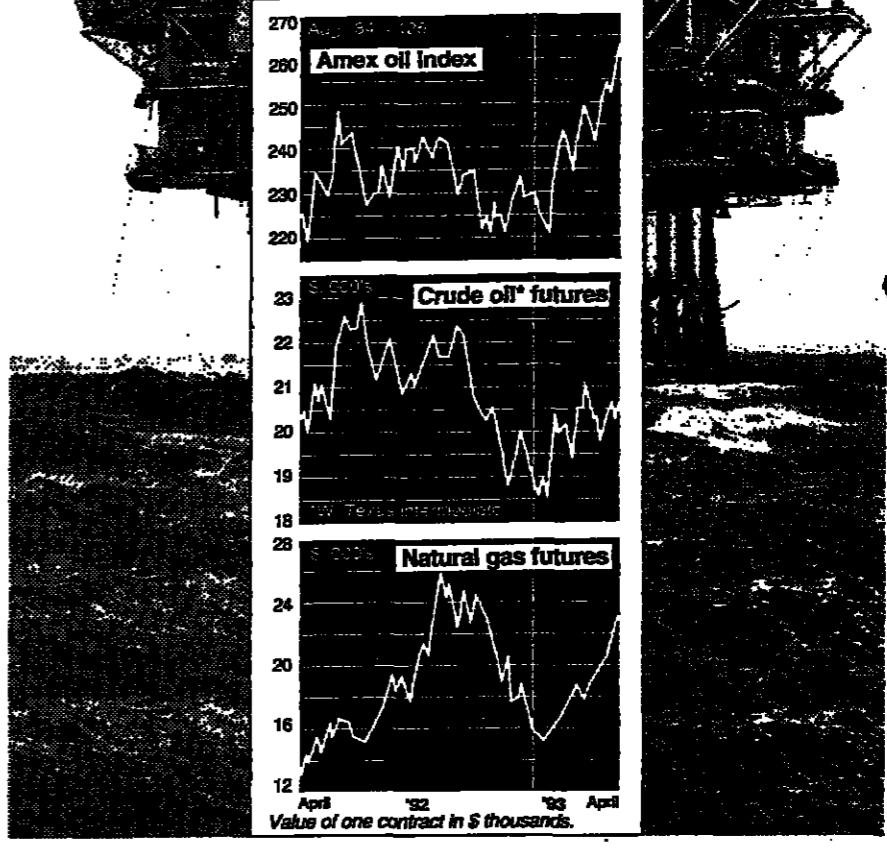


Table titled 'Best Performing Energy Funds' listing various funds and their performance metrics.

BRIEFCASE

Fidelity's Brokerage Offers No Minimum, Free Calls

London-based Fidelity Brokerage is adding two new features to its international stockbroking service, which appears to be off to an impressive start after its launch six months ago.

Money Minds Firm Offers Advice on Financial Matters

People in the United States who want financial advice and can talk fast may want to try a new telephone service called Money Minds. Financial Experts on Demand.

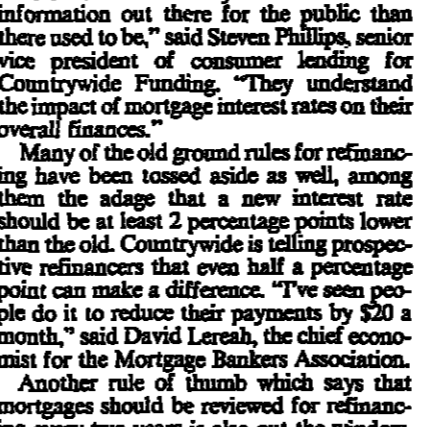
U.S. Homeowners Have Eyes Fixed on Bargain Loans

By Judith Rehak

BARGAIN-HUNTING U.S. homeowners were flocking into commercial banks, mortgage lenders and S&Ls last week to refinance their mortgages at the lowest rates in 20 years.

The Refinancing Sweepstakes

Average U.S. mortgage rates, weekly through April 9, 1993.



But Is Debt Reduced?

DOING a smart deal when it comes to home loans is one thing. But what excites economists is whether consumers have been reducing their liabilities so that the cash saved in an easier credit environment can bolster their spending.

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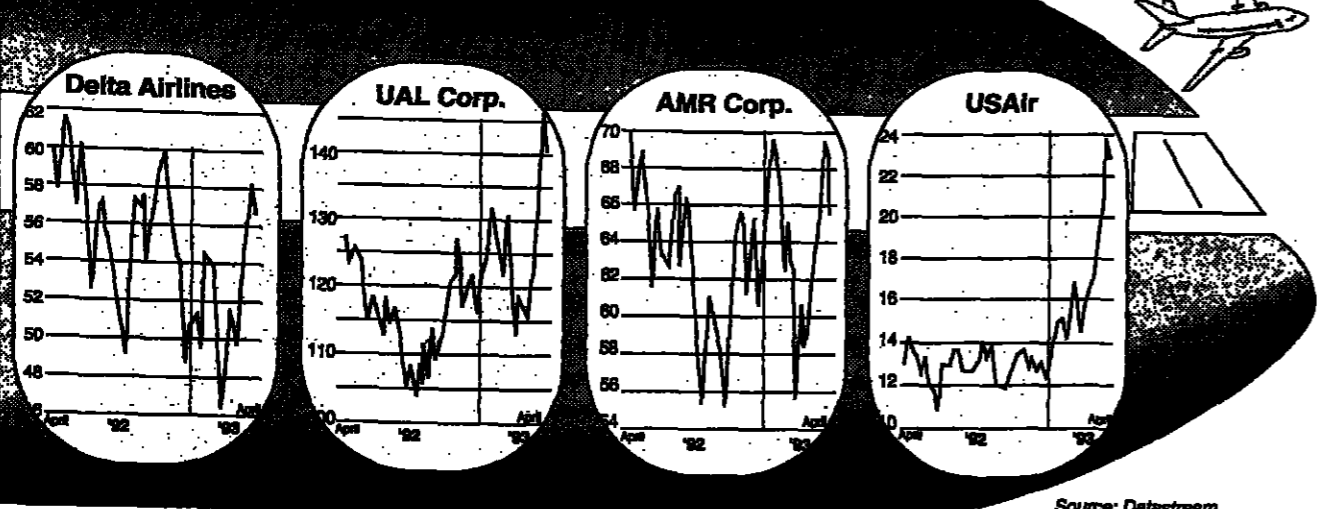
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THE MONEY REPORT

Survival of the Leanest



Airlines Strive to Show Business Class

By Aline Sollivan

**A**FTER bumping along the runway for three years, U.S. airline stocks may at last be ready to take off. Economic recovery is expected to boost air traffic, delivering rising returns for an industry that has slashed overheads in recent years.

Analysts say carriers may return to profit this year after losing more than \$10 billion in the past three years. At the same time, the Clinton administration has pledged help for the industry, boosting investor hopes of lower taxes and fresh financing for the airlines.

But investors need to be selective. The U.S. airline industry is becoming increasingly polarized, divided into the big, high overhead/low growth airlines, and the smaller low cost/high growth airlines. Each has its attractions although the two groups face very different challenges.

The high cost/low growth airlines include the "big three" names in U.S. commercial aviation: American, United, and Delta. These behemoths are facing increased competition from their smaller rivals and from foreign airlines eager to establish North American networks.

"All of the megacarriers will make dramatic cost changes over the next several years," said Candace Brynning, airlines analyst at Merrill Lynch in New York, in a recent report to clients. "Such actions are not without risk, but these companies have no other choice if they are not to become corporate dinosaurs."

Despite potential pitfalls, said

Ms. Brynning, the cost-cutting strategy will most likely be successful, making shares in the "big three" worth buying. She recommends UAL Corp., owner of United Airlines, because it has the lowest stock market valuation. American and Delta, she added, are attractive for other reasons.

AMR Corp., owner of American Airlines, has been a strong favorite of investors lately, following dramatic cost-cutting last year and expansion into investment management and other corporate services. The company's low exposure to the Far East should also stand it in good stead as that region enters recession, analysts said.

"Near-term, AMR shares are the most likely to remain the industry leader," said Kevin Murphy, airline analyst at Morgan Stanley in New York. "But for investors looking toward economic recovery in Europe and Japan, Delta and UAL hold more upside potential." Mr. Murphy rates all three airlines a "buy."

Shares in the smaller, rapidly growing companies can provide far more spectacular returns than the big names, say analysts, but also carry more risk. Most of the airline failures in recent years have belonged to this group.

On the positive side, the low cost airlines currently account for about 20 percent of the industry, but many observers believe that figure could double in the next five years as the carriers expand their routes. Infusions of overseas capital have provided a new lift for some of these companies, and more is expected—particularly if the U.S. government eliminates its 25 percent limit on foreign ownership in domestic airlines.

Southwest Airlines Co. is frequently cited as the most attractive in this group. Southwest shares rose 73 percent in 1992, thanks to the carrier's strong niche presence and low costs. Analysts expect further gains this year.

"Southwest has a really meaningful cost advantage, and with its myriad growth opportunities it is also attractive for purchase on a long-term basis," said Ms. Brynning.

Southwest's plans for expansion into routes serving California and the Northwestern United States may pose a threat to Alaska Air Group Inc., owner of Alaska Airlines, another favorite among investors last year.

The outlook at other low cost airlines is less encouraging. According to Glen Engel, airline analyst at Goldman Sachs in New York, several of the smaller companies expanded too fast in recent years and now need to cut costs like their larger competitors.

"We have seen all the big players make cuts in the past few years, and now the smaller companies need to do as well," he said. "Both Continental and Northwest are shrinking, and other carriers will follow." Mr. Engel added that small and medium-sized airlines will also be hurt by the increasing draw of frequent flyer programs in the United States.

The bigger the network, he reasoned, the more appealing the program.

Capacity is no longer a problem for the industry as a whole, largely due to recent failures, analysts say. PanAm, Eastern, Braniff and Midway all went out of business in the past three years, battered by huge debts and savage price wars. Their departure has meant fewer empty seats on the surviving airlines.

Moreover, several other airlines are operating under protection from their creditors, and opinions are mixed over their chances for recovery. TWA filed for bankruptcy in January 1992, and has since been restructured. Some of the carrier's most lucrative routes have been sold, but insiders say that far more capital is needed to upgrade its fleet. Most analysts think that TWA is unlikely to survive.

"TWA's efforts to rearrange seating for more leg room is like rearranging the deck chairs on the Titanic," said Mr. Murphy of Morgan Stanley.

**C**ONTINENTAL Airlines Holdings Inc. and America West Airlines Inc. are also operating under bankruptcy protection. Analysts argue that Continental has the best chance of survival, thanks to selective cost cutting, while America West's cash flow problems look likely to continue.

Recession and heavy losses in recent years have made fresh capital difficult for most airlines to obtain, say analysts. President Clinton is considering a plan to provide government-backed loan guarantees, providing the airlines with low interest loans to buy new aircraft.

But opponents of the plan, including most of the big carriers, argue that loan guarantees will provide only a temporary stay of execution for troubled airlines and foster overcapacity in the market as a whole.

Some analysts support that view. "Loan guarantees would be ridiculous," said Mr. Murphy. "There is no point in backing up the airlines that are going bust."

Who Needs Offshore Centers?

By Philip Crawford

**T**HE realm of offshore finance conjures up many images to the layman, some glamorous, others a bit shady. But the majority of popular conceptions, say analysts, are simply inaccurate.

Perhaps least understood, experts add, are the two main issues which surround offshore financial centers: Who should put their money there, and why? The answers to those questions appear numerous and diverse.

The first misconception about offshore finance often involves simply the meaning of the word "offshore." In some cases, the term has a literal definition, as when describing the Channel Islands or Grand Cayman, financial centers which are physically removed from continental shores. But analysts say that an offshore domicile is simply any locale, typically specializing in the investment industry, which is separate from where an individual or corporate investor is primarily located. Such "primary" locations, moreover, are generally thought of as being OECD countries.

Experts also say that offshore centers chiefly lend themselves to a certain type of investor. "Simply put, it is the person who has an international background or is involved in international business who often finds a natural home in offshore investment locales," said Richard Crowder, managing director of Schroders Guernsey Ltd., a Channel Islands banking concern which specializes in asset management. "That person may have capital arising in many locations outside of his home country, and it makes sense to locate his assets in one central place. Also, there are many reasons why that individual might not want to bring those assets back into his home country."

One such reason might be the home country's tax laws. Offshore locales such as Luxembourg, Dublin, the Channel Islands and Grand Cayman are well known for their status as tax havens, as none levies taxes on income, capital gains, gifts, inheritances or anything else for nonresidents. And while investors are required to report income earned offshore to their home tax authorities, many prefer to receive it first in gross. "The tax deferral issue is a major one for some investors," noted Mr. Crowder.

Experts say that offshore domiciles are also the natural choice of investors for whom secrecy is a paramount concern. While offshore confidentiality standards are not seen as being patently weak, it is widely acknowledged that offshore



legislation protecting the confidentiality of clients and their accounts is stronger. In Luxembourg, for example, it is a criminal offense for a bank employee to knowingly or unknowingly divulge information about a client's affairs to a third party. Other centers have similarly uncompromising standards.

Some analysts perceive the secrecy issue as the historical catalyst of the entire offshore finance industry.

"Conceptually, it all dates back to the days of the Third Reich, beginning before World War II, when the Nazis knew what was going on in everyone's private affairs," said a prominent financial official in Luxembourg, who insisted on anonymity. "After the war there was a great fear that the State, any State, could get so powerful and therefore potentially abusive again. That fear was behind the original legislation protecting client confidentiality in Switzerland and in Luxembourg."

Gerald Brady, managing director of Bank of Bermuda (Cayman) Ltd., said another advantage of offshore locales was their ability to provide protection from exchange controls which can be instituted onshore, thereby limiting the amount of money which investors can take out of their home domicile.

"Exchange controls were firmly in place in the U.K. before [former Prime Minister] Margaret Thatcher came in, and one can't be certain

that they will never be reintroduced. In the U.S., with the shape of its national debt, I would not be surprised at all if limits on foreign investment were adopted. The U.S. has had such limits before, in certain forms."

"For the sophisticated international investor, the multi-jurisdictional environment can provide a window to the entire investment world with no worries about changes in legislation which can limit opportunity," Mr. Brady continued.

Offshore domiciles can also beckon strongly to distinct types of corporate entities. Businesses with sizable international activities often utilize offshore locales, experts say, to hide certain operations from those with whom they conduct other forms of business.

"You also might have the case of a company that generates income from all over the world, that simply wants to form an offshore holding company for its assets," said Ian Swindale, associate director of the Jersey trust concern, Mourant & Co. "That's a common scenario, as is that of a company who just wishes to keep some of its activities off of its balance sheet."

Mr. Swindale added that families whose members are scattered in different corners of the globe lean toward offshore locales for the organization of trusts. "Anything with cross-border elements is best served by an offshore environment," he said.

Despite all of the apparent positive aspects of offshore domiciles, experts do caution that there can be risks. "You don't want to end up with an entity that is too small in scale or too removed from the mainstream investment world," said Mr. Crowder, of Schroders Guernsey. "For that reason, investors should make sure that an offshore institution with which they are considering doing business has sufficient links to a major onshore concern with its own global network."

"One always feels happier," added Mr. Crowder, "if an established name is out front."

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Senior Investors Find Lucrative Plays

By Matthew Winkler

**A** CURIOUS thing happened on the way to the lowest interest rates in 30 years: People age 50 and older discovered their nest eggs will no longer support their lifestyle.

That's created a predicament for millions of folks who saved money but never invested it, and an opportunity for those who want to help them make the transition.

Through the inflationary 1970s and the high interest rates of the 1980s, people could rely on a combination of bank certificates of deposit and real estate, such as a house. These tried-and-true havens for savers, which just happened to be winners back then, are non-starters today.

Since 1989, the rate on federal funds, the benchmark for short-term rates, collapsed to about 3 percent from 9 7/8 percent. House prices were in decline by 1990 after quadrupling during the previous 10 years.

As long as the economy doesn't show signs of accelerating from its anemic pace, the latest trend is a saver's nightmare. It's giving money managers a whole new constituency, an aging population that's relatively ignorant about money.

"Aunt Agatha is suddenly confronted with a declining living standard unless she becomes an investor," said David Glen, manager of a \$6 billion mutual fund designed for people 50 years and older by Scudder Steward & Clark. "People are desperate to know information they didn't have to know 10 years ago."

Mr. Glen's fund is one of seven created by Scudder eight years ago and endorsed by the American Association of Retired Persons, whose membership of 33 million is expected only by the Catholic church among U.S. organizations. The household accounts.

They appeal to people who never saw any reason to invest in stocks, bonds or mutual funds. They have no IRA fees, redemption penalties or commissions, and come with lots of literature about handling such matters as death, which isn't part of the standard marketing fare for yuppies. And as AARP also offers 116 members' medicare supplements, auto and homeowner insurance, the Scudder mutual funds get marketed as part of the basic services available to members.

During the past six months, Mr. Glen's fund has swelled by \$1 billion. It aims to protect investors' principal and to provide monthly income well above what's available from Call Deposits (CDs). It's 80 percent invested in Government National Mortgage Association securities, with the rest in short-term Treasuries. The Gimnie Mac/Trea-

sury fund returned 10.73 percent in the year ended March 31. Morningstar, a mutual fund rating service, awarded it four out of five stars recently.

The return sure beats CDs, the saver's traditional refuge. After cutting interest rates 25 times since the end of the last decade, the Federal Reserve "received hundreds of letters" from people irate about the suddenly paltry yields on their CDs, says Joe Coyne, a Fed spokesman.

Since 1987, the average rate on CDs was 7.1 percent. Investors who put \$500,000 in one-year bank CDs received an average of \$44,000 a year before taxes.

The average rate is less than three percent today. At current rates, the return in 1993 will amount to just \$20,500, down from \$28,500 last year. Individuals who keep their money in CDs now need \$1.4 million to provide the same annual income that \$600,000 generated during the past six years.

Alternatively, selling that home and moving to a financially secure existence in Florida these days is increasingly impossible. Sellers are getting thousands less than they paid for their homes in the late 1980s. For example, a suburban New Jersey home that went for \$190,000 in 1988 would fetch around a modest \$162,000 today.

In lowering rates to rescue faltering banks and jump-start the econ-

omy, the Fed engineered the transfer of wealth from traditional savers — Aunt Agatha and her bridge partners — to banks and other institutions that borrow short-term money to buy long-term money, thereby seizing a handsome and risk-free profit. The individual saver was left in a quagmire of diminishing returns.

This, of course, "wasn't the design of the Fed's monetary policy," says Mr. Coyne. Nevertheless, the pain among the most influential segment of the population is palpable and it has forced "hundreds of thousands of savers in the 1990s to become first-time investors in the 1990s," says Mr. Glen of Scudder.

That's why Scudder jumped at the chance to win AARP sponsor-

ship for its \$10.5 billion of funds catering to the age 50 and older crowd. With the endorsement of a lobbying group that has half the U.S. population over 50 as members, Scudder gains instant credibility with savings alternatives a dope can understand and a professional can appreciate.

Along with the Gimnie Mac/Treasury fund, the seven investment funds offered through AARP consist of taxable and tax-exempt money market funds, a high-quality corporate bond fund, an insured tax-exempt bond general bond fund, and two equity funds. All of them were created for people who don't like to take big risks and want steady income.

Bloomberg Business News

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# SPORTS ICE HOCKEY

## Monaco's Versatile Gentleman Athlete

### The Crown Prince Meets the People on the Playing Field

By Ian Thomsen  
International Herald Tribune

MONTE CARLO — He might have been passing the ball with a teammate, a 9-year-old happy in the camouflage of his soccer kit. Then his parents would arrive. In those days Albert Grimaldi did not enjoy playing soccer in front of his parents.

People stared at his parents. His parents stared at him. People stared at his parents staring at him. Finally everyone was staring at him.

"I did poorly the times they did come to see me," Prince Albert of Monaco said Thursday from his private box overlooking center court at the Volvo-Monte Carlo Open. "So I didn't really encourage them to come see me. I knew that they would attract attention, and I felt kind of self-conscious. I guess."

He has grown accustomed to it. The 6-foot-tall (1.83-meter) Albert, 35, is a gentleman athlete, having competed in 17 sports at different levels. By and large, monarchies have conceded control of sports to the career professionals. Certainly, His Serene Highness, the Crown Prince of Monaco, is better than the average athlete. But today's sophisticated subjects, saturated with television, can tell a professional player from an amateur one.

As this line of questioning unfolded before him, Albert suggested, "You're trying to get at bobbleheading."

The prince has competed in the bobsled at the last two Olympics and plans to conclude his Olympic career at Lillehammer, Norway, next winter. But any run on a bobsled, dangerous as it appears, is worthy of respect — even finishing 43d in the two-man event, as Albert did last year at, coincidentally, Albertville.

No, the better example is tennis, which Albert was watching Thursday. Despite numerous lessons, tennis is still not his best sport, to delicately put it. For the rest of us, revealing our athletic deficiencies before the public would be no less humiliating than taking a karaoke act to Carnegie Hall. Yet Albert persists, courageously, some might say, though he admits to occasional stage fright.

"But you learn to adjust to that," he said. "I'm more impressed by walking into a room and a crowd of people there stops and kind of stares at you walking in. That aggravates me and embarrasses me a little, to become the center of attention. So I have a harder time dealing with that than playing sports in front of 2,000 people or whatever it is."

No doubt, part of the prince's popularity is based in his apparent sense of humility. He earns public empathy from sports. During a rare 30-minute interview, he appeared shy, if not a little nervous. It is a sincerely humaniz-

ing quality for someone attended by bodyguards and beautiful women, a man deified by the capitalized *Him* in public statements released by *His* palace.

You are likely to see Him, er, him on any night in the corner of a restaurant, or perhaps in the afternoon working out in the stadium — as he likes to do once or twice a day — or even jogging in public, preferably along the waterfront from the west end of town. If he seems as friendly as the people you meet in the gym at lunch hour, it is because he might be one of those people. Though he does, of course, keep a gym in the palace.

"I have ankles that are giving me a little

**'I wouldn't conceive of taking part in an Olympic Games without staying in the village. That's part of the whole experience.'**

trouble right now," he said. "My back isn't in the greatest shape."

A calfied charley horse, an old soccer injury, cramps him occasionally.

"But all in all, things are pretty good," he said. "Just from the sports I've done, I feel as though I know half of the population here. It's always been a great source of balance for me, a great way to relax and to kind of get a different sense of reality from that of an official life."

Albert did not attend public school until he was 8. Initially he was tutored in a private school established by his mother, Princess Grace.

"It was kind of tough, because I didn't go to school [immediately] and I always regretted that," he said. At the same time, he adds: "I was very fortunate that I had parents intelligent enough to introduce me, not early enough to my taste, but to put me in contact with kids of my generation, exposing me to a life other than that of the palace."

"Having said this, I mean obviously it's not your run-of-the-mill childhood, because I guess I was exposed to public life and official duties early on, and I was put into contact with adults at a much earlier age than any of these kids. That was all kind of hard to integrate."

He was enrolled at the age of 7 in the Monaco soccer school, qualifying two years

later for the youth team as center forward.

"I certainly didn't feel any preferential treatment," he said. "I was fouled on just about like anybody else — and pretty much still am. I didn't feel that there was any kind of shyness. Well, yeah, the first few days of the soccer initiation program. I saw some other kids pointing at me, trying to single me out, but on the field if they could have tracked all over my face I think they would have."

He gave up soccer for a few years when his parents "kind of egged me to go into combat sports, and judo seemed to be the one best suited." He is a black belt in judo. He also took up swimming with the encouragement of his mother. At Amherst College in Massachusetts, he swam, ran track and played tennis, volleyball and soccer, leading the soccer team on a tour of France and Monaco in 1980.

Albert took part in the Paris-Dakar auto rally in 1985. He heads several local athletic organizations, and he is a member of the International Olympic Committee, which will vote here in September to choose the host of the 2000 Summer Games.

But his greatest notoriety has come from the two-man bobsled, in which his respectable 25th placing at the 1988 Olympics in Calgary was on a far higher plane than the ski jumping of Eddie (The Eagle) Edwards. Albert also placed 27th in the four-man Olympic competition last year. He was introduced to bobsledding during a 1985 ski trip to Switzerland. Given the climate of his training center here, he has more in common with the teams from the Virgin Islands and Puerto Rico, which he beat at Albertville last year. In spite of his results, Albert hopes to qualify for Lillehammer next winter.

"Just the fact of being there is already very gratifying," Albert said. "I think it's one of the last few sports where, in spite of the competitiveness, and despite a lot of different influences, there's still a sense of camaraderie and friendship. You don't have that kind of sense that a lot of different financial aspects come into play so it's a much happier atmosphere."

Yes, the prince will once again stay with the commoners — an outrageous suggestion a mere century or two ago.

"I wouldn't conceive of taking part in an Olympic Games without staying in the village," he said. "That's part of the whole experience. You might as well just go to a world championship if you're going to stay in a hotel. You can always stay in a hotel."

"It's not a burden for me. Sure people recognize me, stop me, and ask for autographs, but you've got to learn how to avoid it sometimes. I just run through the hallway, and I just keep moving."



The Canucks' Kirk Muller crashing to the ice after he tripped over the stick of defenseman Steve Duchesne of the Nordiques.

## Penguins, Sabres Take 3-0 Leads

Compiled by Our Staff From Dispatches

The mighty Pittsburgh Penguins and the upstart Buffalo Sabres have moved within one victory of sweeping through the first round of the National Hockey League playoffs.

The Penguins, not even at their best, rallied to defeat the New Jersey Devils, 4-3, Thursday night in East Rutherford, New Jersey, to take a 3-0 series lead in their best-of-seven Patrick Division semifinal. They extended their NHL playoff-record winning streak to 14 games.

The Sabres, who lost the final seven games of the regular season, edged the Boston Bruins, 4-3, in overtime to build a 3-0 series lead in their Adams Division semifinal. Defensemen Peter Taglianetti and Larry Murphy scored 2:26 apart midway through the third period to lift the Penguins past the Devils. Taglianetti's right point drive hit center Alexander Semak in the back and flew over goalie Craig Billington's left shoulder at 7:05 for the Penguins' first lead of the game.

Murphy's blast from the mid-blue line with the Penguins on a power play trickled in at 9:31 for a 4-2 lead. The Penguins' only power-play goal in four chances.

Pittsburgh trailed 1-0 and 2-1 before Mario Lemieux tied it, 2-2, at 1:07 into the Penguins' three-goal third period. Lemieux has four goals in three games and promised a better team effort next time out.

"They played great, really gave me no room at all," said Lemieux, who has 103 career points in 52 playoff games. "We'll give them a new look next game."

The two-time defending Stanley Cup champions can eliminate the Devils with a victory in Game 4, Sunday in New Jersey.

Sabres 4, Bruins 3: In Buffalo, the Sabres were on the power play when Yuri Khmylev scored the winning goal on a deflection. After Boston's Ray Bourque was called for hooking Doug Bodger 37 seconds into overtime, Khmylev tipped home Dale Hawerchuk's shot from the point at 1:05.

"I didn't even see who shot it. The puck just went off me," Khmylev said. "I didn't feel it. I don't know whether it was the stick, the

skate, the body, anything. It just went right into the goal."

The Sabres' other scorers were Alex Mogily and Bob Sweeney; Boston got goals from Bourque, Brian Smolinski and Cam Neely.

Trailing 2-1 late in the third period, the Bruins tied the game, went

### STANLEY CUP

down by a goal, then sent it into overtime during a 2½-minute span.

The Sabres can eliminate the Bruins with a victory Saturday in Buffalo.

Islanders 4, Capitals 3: In Uniondale, New York, Ray Ferraro

scored 4:46 into overtime, capping a rally from a 3-1 deficit. The Islanders, who also won in overtime in Game 2, took a 2-1 lead in the Patrick Division semifinal series that resumes Saturday.

Steve Thomas and Pierre Turgeon scored late goals. These teams have a playoff history of such games, but this one was considerably shorter than Tuesday night's double-overtime affair, won 5-4 by the Islanders. It also marked the first time in five games this season that the Islanders had beaten the Capitals at the Nassau Coliseum.

Canadiens 2, Nordiques 1: In Montreal, Vince Damphousse

scored a disputed goal in overtime

as Montreal won its first game of the series. Quebec leads the Adams Division series, 2-1. Game 4 is Saturday in Montreal.

The Nordiques' goalie, Ron Hextall, stopped Damphousse's shot on a power play, but the rebound went off the skate of a Quebec defenseman 10:30 into overtime. The Nordiques protested that the goal was kicked into the net by Kirk Muller, who originally was credited with the goal. But it was upheld by a video replay judge.

Montreal was on the power play because Curtis Leschyshyn was sent off for slashing Brian Bellows at 9:26 of overtime. (AP, UPI)

## Canada Trounces Austria To Join Russia in Playoffs

Compiled by Our Staff From Dispatches

MUNICH — Eric Lindros scored three goals and had three assists as Canada trounced wireless Austria 11-0 for its third straight victory to join Russia from Pool A in the playoffs of the World Ice Hockey Championships.

It was the first hat trick and the best individual performance by a player in the tournament.

Lindros, the biggest marquee player from the National Hockey League in the championships since Mario Lemieux in 1985, now has a tournament-leading eight points (four goals and four assists).

Canada, which beat two-time defending champion Sweden, 4-1, on Tuesday, has one of its strongest teams in years. Canada has not won the world championship since 1961. With Wayne Gretzky on the team in the 1982 championships, Canada finished third. When Lemieux played in 1985, Canada was second.

Rod Brind'Amour, Lindros' teammate on the Philadelphia Flyers, had two goals and one assist for Canada. Shayne Corson, Paul Kariya, Gerry Galley, Brian Savage, Brian Banning and Geoff Sanderson scored the other goals for the Canadians.

Bill Ranford, the tournament's leading goalie, posted his second shutout in three games.

Finland 2, Norway 0: Finland assured itself a berth in next week's quarterfinals with a hard earned victory over Norway in Dortmund, Germany.

Left winger Juhani Riihijarvi netted the opening goal 4:16 minutes into the final period, and Jari Korpisalo made it 2-0 on 12:37.

Norway lost for the third time in three matches. It has not scored in its 180 minutes of 1993 World Championship ice hockey.

The victory lifted Finland, which last year in Prague won its first World Championship medal — a silver — to second place in the Pool B standings with five points. The Czech Republic, also with five points, will be in the quarterfinals to be played Tuesday and Wednesday in Munich.

The United States and Germany, both with four points, are also likely to advance, as Norway and France are without points and each of the six teams has only two more preliminary matches to play. (AP, UPI)

## Austria Player Likely to Have Brain Surgery

MUNICH — Christian Perthaler, 24, of the Austrian team is almost certain to need brain surgery after a blood vessel in his brain burst during a world ice hockey championship match on Thursday.

"It seems as if Christian Perthaler will have to undergo surgery," the team doctor, Christian Adam, said Friday, adding that an immediate operation was not possible because the pressure on the player's brain was too great. "We will have to wait a few days before a final decision can be made."

Perthaler was rushed to a Munich hospital after the blood vessel burst during the first period of Austria's 11-0 loss to Canada. He was fully conscious on Friday but was under constant surveillance in an intensive care ward.

"Perthaler was sitting on the bench during the first period and suddenly had a terrible headache," Adam said.

The doctor said it would be possible to fly him home to Innsbruck by helicopter, but no decision had been made.

### SIDELINES

#### Torrance Breaks Golf Course Record

BARCELONA (UPI) — Sam Torrance of Scotland shot a course record 63, 9-under-par, on Friday to take a one-stroke lead into the third round of the Catalan Open.

Torrance produced a run of seven 3s to start his round, including an eagle and four birdies. It set up his lead at 10-under par 134 for two rounds, one shot ahead of Barry Lane of England and Jay Townsend of the United States. Lane, Torrance's playing partner, made four birdies in a row before going on to post a 67 for 135. Townsend, having to combat high winds in the afternoon, credited his 69 to two par-saving putts, one in the middle of his round, and another on the last.

Tom Purtzer and Mike Sullivan share the lead after shooting first-round 67s at the Greater Greensboro Open golf tournament in North Carolina on Thursday. (Reuters)

#### Magic's Dream Is to Own a Team

INGLEWOOD, California (AFP) — Magic Johnson, who left the National Basketball Association because he has the AIDS virus, is only interested in returning to basketball as a club owner, according to his agent.

Lon Rosen denied reports that Johnson might return to the Los Angeles Lakers as coach after their disappointing season. "Magic wants

to be the owner of an NBA team not a coach," Rosen said. He said Johnson had not even received an offer from his old team.

A radio station report said Johnson was discussing a return with the Lakers' owner, Jerry Buss. The Lakers are finishing their worst season since 1976. This has heightened speculation about the future of Coach Randy Pfund, who is finishing the first of a six-year contract.

#### For the Record

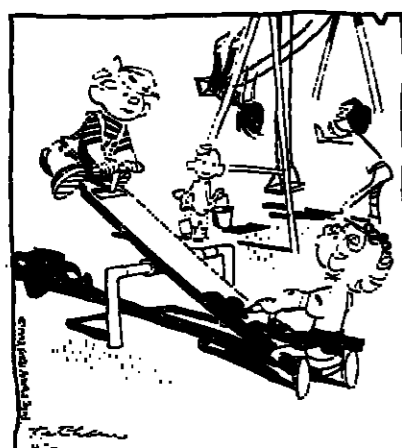
Ayrton Senna, in Imola, Italy, for official practice for Sunday's San Marino Grand Prix, said he would be driving for McLaren Ford for the whole of the current season, ending his race-by-race agreement with the Formula One team. (AFP)

The Texas Rangers' Jose Canseco was found not guilty on a misdemeanor battery charge filed after he punched a man in a Chicago nightclub last December. (AP)

UEFA, the governing body of European soccer, will move its headquarters from Bern to Nyon, near Geneva, by the end of next year, an official said Friday. (Reuters)

The Welsh flyweight Robbie Regan has relinquished his European title to challenge Pat Clinton of Scotland for the WBO world crown in Cardiff, Wales, this summer. (AP)

#### DENNIS THE MENACE



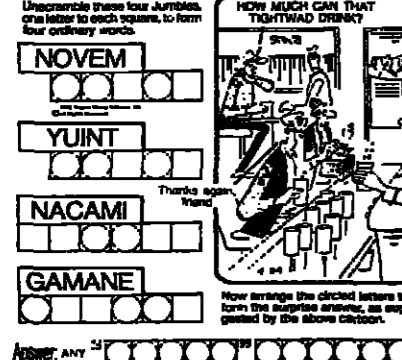
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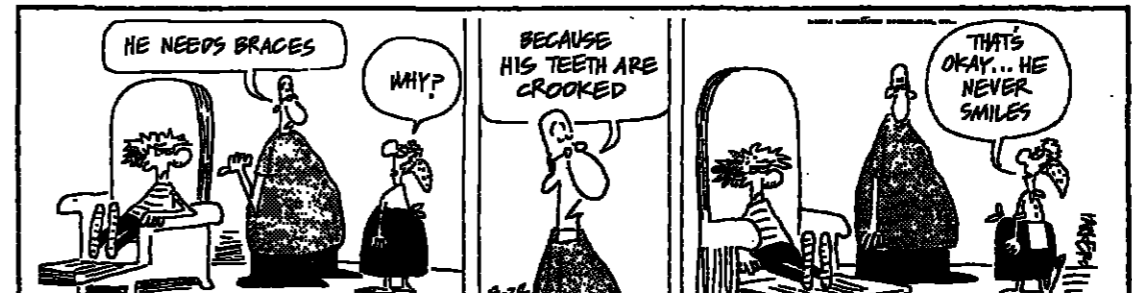
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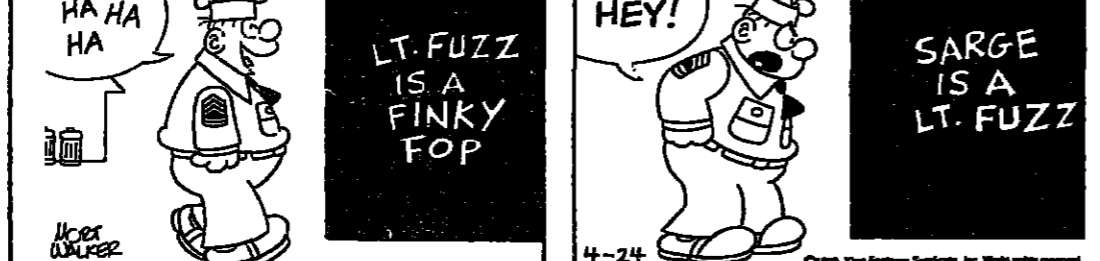
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SPORTS BASEBALL

2 Last Victories Would Give Sonics A Team Record

The Associated Press With two games remaining in the regular season, the Seattle SuperSonics are trying to break the team record for victories as they wait to find out who they face in the first round of the playoffs.

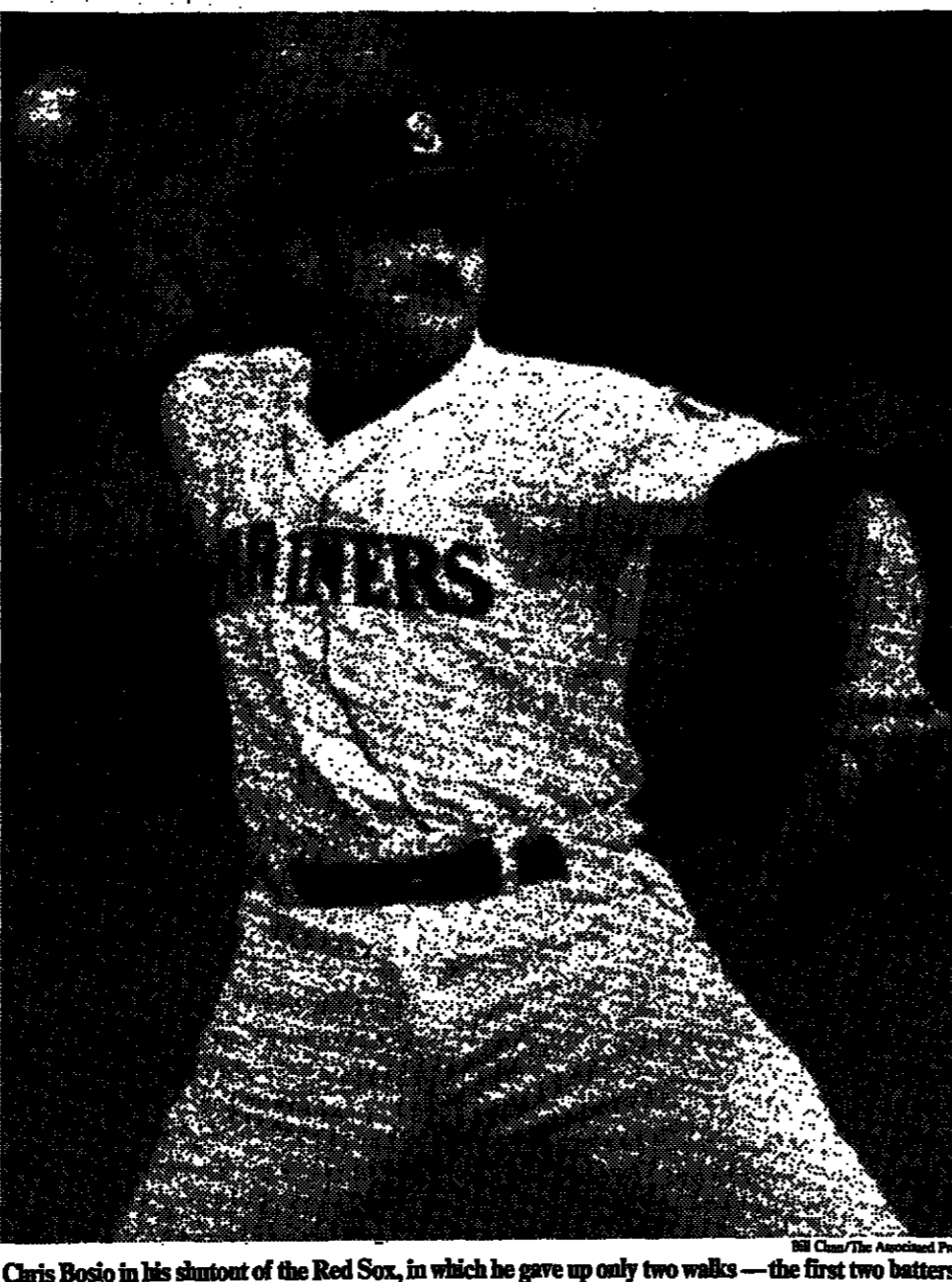
Eddie Johnson scored 23 points and Shawn Kemp added 20 as Seattle beat the Clippers, 100-98, on Thursday night to move within one of the franchise record of 56 victories, set in 1979-80. They were to face the Los Angeles Lakers on Friday and close the season Sunday at Golden State.

NBA HIGHLIGHTS

Minutes left in the first quarter, which ended 47-23. Bulls 109, Pistons 103: In Chicago, Michael Jordan missed five of his 11 free throws, but scored eight of his 36 points in overtime for the Bulls. Despite trailing the first-place New York Knicks by a game in the Eastern Conference, the Bulls will win home-court advantage in the conference playoffs with victories at Charlotte on Friday and at New York on Sunday.

Rockets 112, Timberwolves 110: Houston won for the 31st time in 40 home games and extended its winning streak to 11 with a victory over Minnesota, which lost its 11th straight. Matt Bullard's jumper with 1.2 seconds left in overtime broke a tie and gave him a career-high 28 points, including five 3-pointers.

Spurs 131, Nuggets 111: San Antonio, playing at home, clinched fifth place in the Western Conference and a first-round date against Portland. Dale Ellis scored 18 of his 30 points in a 47-point first quarter against Denver. David Robinson and Sean Elliott had 21 points each for the Spurs, who snapped a three-game losing streak. The Nuggets, who lost their 13th straight game in San Antonio, got 20 points from Chris Jackson and 19 by LaPhonso Ellis.



Chris Bosio in his shutout of the Red Sox, in which he gave up only two walks — the first two batters.

Mariners' Bosio Blanks Bosox With First Career No-Hitter

Compiled by Our Staff From Dispatches Chris Bosio, pitching on three days' rest, might have thought he would have a short night against the Boston Red Sox. Bosio walked the first two batters, but he got Mike Greenwell to hit into a double play, and was perfect the rest of the way in the Seattle Mariners' 7-0 victory on Thursday night. Bosio retired 26 straight batters to account for 27 outs and finished with his first career no-hitter and the second ever by a Mariners pitcher.

Bosio struck out four for his ninth career shutout. He threw 97 pitches, 60 for strikes, in beating the first-place Red Sox. Boston, which entered the game with a .285 team average, hit into 18 groundouts.

With a Kingdom crowd of 13,604 standing for the ninth inning, John Valentin led off with a routine grounder to shortstop and Tony Pena hit an easy grounder to third for the second out. On the last out, Ernest Riles hit a slow grounder to shortstop Omar Vizquel, who made a bare-handed pickup as the ball bounced off the turf. His trailing throw nipped Riles by two steps.

Bosio signed as a free agent after giving 16-6 with Milwaukee last year. White Sox 3, Orioles 2: In Baltimore, Mike Devereaux misplayed Dan Pasqua's sinking liner to center field for an error that allowed the White Sox to score two ninth-inning runs for the victory. Twins 5, Brewers 4: In Minneapolis, Shane Mack and Kirby Fickett doubled in runs and Kent Hrbek singled in another for the Twins. Jim Deshaies allowed five hits and two runs over 6 1/2 innings

to gain credit for the victory and improve to 4-0. Yankees 5, Athletics 1: In Oakland, California, New York made Ron Darling pay for five third-inning walks, scoring five runs and going on to beat Oakland. The A's, who have lost six of their last seven games, are three games under 500 for the first time since May 1987. Angels 8, Indians 0: Rookie J.T. Snow homered twice, giving him four in his last three games, and Chuck Finley pitched a two-hitter as California beat visiting Cleveland. Snow homered off Mark Clark in the fourth inning and hit his sixth homer of the season in the seventh off Mike Christopher.

AL ROUNDUP

inning walks, scoring five runs and going on to beat Oakland. The A's, who have lost six of their last seven games, are three games under 500 for the first time since May 1987. Angels 8, Indians 0: Rookie J.T. Snow homered twice, giving him four in his last three games, and Chuck Finley pitched a two-hitter as California beat visiting Cleveland. Snow homered off Mark Clark in the fourth inning and hit his sixth homer of the season in the seventh off Mike Christopher.

Pirates Unreceptive On Smiley's Return

Compiled by Our Staff From Dispatches John Smiley had a rough return to Pittsburgh, allowing five runs in 5 1/2 innings as the Pirates rallied from a three-run Cincinnati first inning to tie, 5-4. Lonnie Smith had a tie-breaking two-run single in the sixth to chase Smiley, the former 20-game winner who was pitching in Pittsburgh on Thursday for the first time since losing Game 7 of the 1991 playoffs to Atlanta. Smiley worked five seasons with the Pirates before being traded to Minnesota last season, was signed by the Red Sox as a free agent during the offseason. Smith went three-for-four and Don Slaught had a run-scoring triple as the Pirates ended a five-game losing streak. Just a night after reliever Rob Dibble fractured his left arm in a home-plate collision, the Reds lost

NL ROUNDUP

outfielders Bobby Kelly and Kevin Mitchell with pulled hamstring. Kelly led in the first inning and Mitchell in the fourth, and both are listed as day to day. Randy Milligan's RBI single and Chris Sabo's two-run double gave the Reds a 3-0 lead first against knuckleballer Tim Lincecum as Pittsburgh starters continued to struggle in the first inning. The Pirates have allowed 14 first-inning runs in their last five games. Wakefield settled down to pitch the Pirates' first complete game of the season despite walking nine. Wakefield, who had allowed 11 runs in 13 innings in his previous two starts, surrendered only one hit after the first — Juan Samuel's pinch home in the seventh — to finish with a four-hitter. Expos 3, Dodgers 1: In Montreal, Darrin Fletcher doubled home Larry Walker to snap an eight-inning tie and the Expos swept the three-game series with Los Angeles. Reliever Jeff Fassero pitched one inning for the victory and Mel Rojas worked the ninth for his fifth save, nailing down Montreal's fourth straight triumph. Padres 2, Phillies 1: In Philadelphia, Andy Benes allowed one run and five hits in 2 1/2 innings, and Bob Geren went two-for-three with a home run for San Diego. Geren hit his home run leading off the fifth against Terry Mulholland. His last homer was on Aug. 14, 1991, for the New York Yankees. Giants 13, Mets 4: In New York, Robby Thompson had four of San Francisco's 19 hits and drove in four runs. Mark Carson, a former Met, drove in three runs, too on his first home run of the season. Cardinals 5, Rockies 2: In St. Louis, Missouri, Todd Zeile broke a 2-2 tie with an RBI single off Gary Wayne to highlight the Cardinals' three-run eighth. Marlins 4, Braves 3: In Miami, catcher Benito Santiago retrieved a bouncing pitch and tagged Otis Nixon out at the plate as he tried to score the tying run with two outs in the ninth. Jack Armstrong got the victory after holding Atlanta to one unearned run in seven innings.

SCOREBOARD

Table with columns for Major League Standings, American League, and National League. Lists teams like Boston, New York, Toronto, Cleveland, and Baltimore with their records and game results.

Table for Baseball Division Semifinals. Lists teams like Pittsburgh, New York, Philadelphia, and Cleveland with their records and game results.

Table for Hockey Stanley Cup Playoffs. Lists teams like Pittsburgh, New Jersey, Philadelphia, and Washington with their records and game results.

Table for Basketball NBA Standings. Lists Eastern Conference, Western Conference, and Pacific Division with team records and game results.

Table for Japanese Leagues. Lists teams like Hiroshima, Chunichi, Hanshin, and Yokohama with their records and game results.

Table for Tennis Monte Carlo Open. Lists players like Andre Agassi, Boris Becker, and Andre Kournikov with their records and game results.

Table for Tennis US Open. Lists players like Andre Agassi, Boris Becker, and Andre Kournikov with their records and game results.

Table for Transactions. Lists various player movements, trades, and signings between teams.

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Today's Special Report on ARTS and ANTIQUES. Appear on Pages 7 through 10. ARTS. BOOKS. POSITIONS WANTED. NANNIES & DOMESTICS. MONROE NANNIES INTERNATIONAL. SHEILA DAVIS AGENCY.

April 24-25, 1993

DAVE BARRY

New Threats to Your Life

M IAMI—Our policy, here at the Institute of Things That Might Kill You, is not to cause panic. If we suspect some new health menace, such as a link between brain cancer and the dance routine to "Achy Breaky Heart," we do not make any announcement without first going through the standard scientific procedure of applying for a large federal grant.

But there is no time for that now. Not with the reports that have been flooding into the institute concerning a health menace that threatens all Americans who fall into the High-Risk Group, defined as "Americans who are not already dead."

We got our first inkling of this menace from an article in the University of Chicago newspaper, the Maroon. The article states that two undergraduates were walking out of an apartment building when they were hit by—get ready—a falling dishwasher.

According to the article, the landlord was installing a new dishwasher on the third floor, and rather than waste valuable time carrying the old one downstairs, he shrewdly pushed it off the balcony.

Our first reaction, of course, is to realize how important it is to keep funding "Star Wars," which we are still spending billions of dollars on, even though the Soviet Union has dissolved into thousands of cough-lozenge-size nations. But "Star Wars" technology could be adapted for civilian use in situations like the one in Chicago. Here's how it would work: The instant the dishwasher started to fall, it would be detected by radar sensors, which would alert a huge centralized computer, which would flash instructions to a nuclear-powered orbiting satellite, which would activate a powerful laser cannon—all of this would happen in less than time it takes you to spit out a standard olive pit—which would shoot a beam of extremely high-energy radiation back down to Earth and, with surgical precision, vaporize a Honda Civic in Minnesota.

Fortunately, the Chicago students did not suffer severe injuries, although they were both knocked unconscious, and at first did not know what had happened. As one of them put it, in a quote that I am not making up: "I could have been

hit by a cow for all I knew."

Little does this undergraduate realize how chillingly true that statement is. We have here another article, this one from the Durham (North Carolina) Herald Sun. This article, headlined "Dog Falls From Plane," states that a float plane pilot had been throwing a ball for his neighbor's playful dog, Baron, and then he (the pilot) got into his plane and took off, unaware that Baron had climbed onto the plane's pontoon. The tragic result, according to the article, is that Baron fell from 1,000 feet, went through the roof of a vacant cottage and "destroyed the kitchen."

We cannot help Baron now. Baron has gone to that Big Fire Hydrant in the Sky. But we must ask ourselves: What if, instead of a dog, the pilot's neighbor had happened to have a playful pet cow? And what if, instead of a vacant cottage, the pilot had flown over a large public gathering, such as a golf tournament?

TV ANNOUNCER: He needs this putt, Bill. SECOND ANNOUNCER: Yes, Tom, he... What's THAT? SOUND FROM SKY: MOOOOOOOOOO.

FIRST ANNOUNCER: My GOD! It's going to land right on... (SCREAM.) SPLAT.

FIRST ANNOUNCER: This is not a forgiving golf course, Bill.

And consider THIS: According to a news item, ABC-TV got in trouble with U.S. Customs when a "20/20" crew, seeking to test drug-smuggling detection efforts, flew up from Mexico and dropped a package of tacos from a plane. Fortunately nobody was hurt, but we are talking about Mexican food traveling at more than 100 mph. If it had struck a civilian, medical experts infer, the resulting diarrhea could have lasted for WEEKS.

So we are facing an epidemic of falling items, and the failed Clinton administration continues to do nothing except fritter away valuable time trying to cut the deficit, despite the fact that the odds of the deficit actually getting cut are WAY less than the odds of a cow landing on a member of Congress.

Knights-Ridder Newspapers

Gay Activist Writes in Shadow of AIDS

By Jeffrey Schmalz, New York Times Staff Writer

SAN FRANCISCO—These should be the best of times for Randy Shilts. His new book, "Conduct Unbecoming," a portrait of homosexuals in the military coming as the issue seizes the country's conscience, is hitting stores in the United States. A movie based on his first book, "The Mayor of Castro Street," published in 1982, is about to go into production. An HBO film of his second book, "And the Band Played On," just finished shooting. He has a 23-year-old boyfriend (Barbieri), a 16-acre retreat in the country, even a trusty dog (Dashie).

But Shilts, 41, who was made famous by his writing on AIDS, has himself developed AIDS, and it is wearing him down. He comes to the door of his apartment here tethered to an oxygen tank, the legacy of a collapsed lung not yet healed. One minute he is the old Randy Shilts, a blur of energy and issues and passion, musing over the possibility of a new book, railing against the abuse of gay and lesbian Americans in the military. The next, he isn't Randy Shilts at all. He's just another gay man with AIDS, scared and tired, trading gossip about the newest drugs and monitoring the declining level of white blood cells that support his immune system—his T-cell count.

"HIV is certainly character-building," he says, easing his breathing by reclining on the sofa. "It's made me see all of the shallow things we cling to, like ego and vanity." Not missing a beat, he adds, "Of course, I'd rather have a few more T-cells and a little less character."

There will be no book tour, no trip to Washington for the big gay march on Sunday. His health won't allow it. And that means no testimony before the congressional committee reviewing the military's ban on homosexuals, which is just as well. Shilts, a sometime reporter for The San Francisco Chronicle, who considers himself a journalist and not an advocate, isn't comfortable with a reporter's testifying anyway.

Still, Shilts is hardly a recluse. As he sits in his two-bedroom apartment turned salon, the world comes to him—Sam Donaldson and the morning-news anchors and newspaper and magazine reporters and Charlie Rose and a satellite crew for a linkup with Larry King. When "Band," his account of the early days of the AIDS epidemic, came out in 1987, he had to beg for media attention. Now, after the success of the book, he is a star, treated as the preeminent chronicler of gay life and spokesman on gay issues.

Yet, in gay circles he gets a mixed recep-



Author Randy Shilts in his San Francisco apartment with his dog Dashie.

tion. He is worshiped by many. But to some young radicals, he is an Establishment as they come, a panderer to fame and fortune. To some others, especially in San Francisco, he is a traitor who abandoned the gay brothers by endorsing the closing of bathhouses here and opposing the ousting of prominent closeted homosexuals. Some of the most negative reviews of "Band" were in the gay press, which was outraged that the book charged gay organizations with initially pretending AIDS didn't exist.

"I criticize the gay community," he says, "when I'm part of the Establishment. I sold out, rather than just having a different opinion. There's no room in the gay community for people of good intention having different opinions. Either you have the opinion or you're nothing. Yeah, it bothers me. People tell me, 'Oh, you must love being controversial because you've done so many things that are.' I hate it. My feelings get hurt."

Gay groups are likely to find little to criticize in the 784 pages of "Conduct Unbecoming," which, like his other two books, is published by St. Martin's Press. It often seems to be the story of two completely different militaries. One is a world where homosexuality is almost commonplace, an accepted part of life more open than that of lovers and drag. In the Vietnam War years, homosexual sex was rampant, Shilts says, particularly

among supposedly straight personnel, who claimed that they were "real men" because they had wives back home.

The other is a post-Vietnam world of persecution, of imprisoning gay and lesbian soldiers for having sex off base in the privacy of their bedrooms, of forcing confessions by threatening to take away children or to humiliate parents.

"It's very Stainesque," Shilts says. "I think even people who support the ban would be flabbergasted if they knew what was being done to enforce it."

Because of the closeness of male relationships in the military, Shilts says, the Pentagon is all the more driven to cracking down.

"The policy has never been to take on all gays," he continues. "The policy has been to make it so they can say they don't tolerate homosexuality. If they say they tolerate it, then it reflects on themselves. There's an appreciation of male-male relationships in the military that's much greater than in society as a whole. I think that's why they have to reject homosexuality. Because so much of what they do is homosexual that they have to make it a point."

Shilts says one reason for undertaking "Conduct," whose writing and thousand interviews have taken up the last four and a half years, began to fall when he was on a book tour for "Band."

"It struck me that straight people are in tremendous denial about the existence of

prejudice against gay people," he says. "Even those supportive of gay rights don't get it. They don't realize what a despised minority we are in America. The military issue is a way of showing the extent to which prejudice shapes the lives of gay people."

Shilts knew when he started the book that he was infected with HIV, which was diagnosed on the day he finished "Band" in 1987. He had told his doctor in 1986 that it was all right to test him but that he didn't want to know the results for fear it would influence his reporting on the book, something that in retrospect he doesn't believe would have happened. "Facts are facts," he says.

"I literally pulled the last page out of the typewriter and went to the doctor," Shilts recalls. "I said, 'O.K., now you can test me.' He said, 'I already have.'"

At first, Shilts found it difficult to commit to long-term projects, fearful that he wouldn't live to complete them. But he became frustrated. Writing books is his love. "Doing this book," he says, "was my commitment that I was going to be alive for a couple of years. Even if it cuts six months off my life, I'd rather be doing something meaningful."

In the end, writing the book almost killed him. He started research in 1988— unsure of whether there would be any broad interest in such a book—but wrote most of it last year.

Last August, he contracted pneumocystis carinii pneumonia, crossing the threshold from being HIV positive to having full-blown AIDS. He got pneumocystis again in December. On Christmas Eve, a lung collapsed. What followed was a seven-week life-and-death battle—surgery, even a ventilator. "I almost gave up and died six weeks ago," he says. The last paragraphs of "Conduct Unbecoming" were dictated from his hospital bed. A chapter on the Gulf War was left undone, to be added in the next printing.

He is reminded that there is much to be thankful for: He is alive. He has friends. The world is beating a path to his door. Robin Williams is expected to play the lead in "The Mayor of Castro Street," about Harvey Milk, the slain gay-rights leader. Other big stars like Angelica Huston and Richard Gere are featured in "Band." But Shilts doesn't seem excited by all that. He is distracted, speaking almost to himself.

"I have to take care of myself," he says. "Another thing could knock me out. I can't get pneumonia again. Then he comes back to the conversation: "Yeah, I have a good life. I'd be happier if I didn't have to worry about dying."

PEOPLE

Shakespeare's the Thing At Globe Theater Fete

Sir John Gielgud and the Braner Theater Company made British stage history, speaking W.B. Shakespeare's words in his partly rebuilt Globe Theatre 429 years after his birth. Sir John, 89, recited from the First Folio, while the Germans performed "The Merry Wives of Windsor" in German. About 600 people witnessed the partly realized dream of the American expatriate Sam Wanamaker, 73, who has worked for more than two decades to rebuild the theater where Shakespeare performed his work. Wanamaker hopes to have the theater completed in 1994. He still has to raise £2.3 million (\$3.59 million).

Luxiano Pavarotti will give a giant outdoor concert beneath the Eiffel Tower in Paris on Sept. 2 and promises something to please everybody. Pavarotti hopes to re-enact his successful appearance in London's Hyde Park two years ago—but this time without the driving rain that marred that occasion. If the weatherman cooperates, Mayor Jacques Chirac hopes as many as 150,000 people will attend.

King Juan Carlos I presented the 91-year-old Cuban poet Dances Maria Loyzas with the Miguel de Cervantes Prize. The prize is the most prestigious literary award in the Spanish-speaking world.

Larry King, who made call-in television a major factor in the presidential campaign last year, will keep on talking on CNN for at least six more years. The 59-year-old talk show host agreed to a new contract that guarantees him a sixth night per week.

Roseanne Arnold's battle with ABC has escalated. She was quoted as saying she will take her situation comedy show, "Roseanne," to another network at the first opportunity. Her outburst on various talk shows are related to ABC's declining to say whether it will renew "The Jackie Thomas Show," starring her husband, Tom Arnold.

INTERNATIONAL CLASSIFIED Appears on Pages 7-10 & 21

WEATHER

Weather forecast section including maps for Europe, North America, Asia, and Latin America, with temperature and precipitation data for various regions.

QUARRELSOME QUOTES By Michael J. Parris

ACROSS 51 Volcano near Catania, 52 A lean compromise is... G. Herbert, 53 Fisher or Foy, 59 Pts. of cents., 60 Hide, 61 Alda and Arkin, 62 Oratory, 63 Word with window or wood, 64 Louis Quatorze, e.g., 65 —En-ai, 66 Severe, 69 Type of scarf, 71 Fleur-de-lis, 72 Org. for Couples, 73 "A man cannot be too careful in...", 74 Wilde, 79 Pledge, 80 Partner of sm. and med., 81 Shake—(hurry), 82 Off-quoted author: Abbr., 83 Very old: Abbr., 84 Lost, 85 S. African fox, 86 Bea Arthur role, 88 "Exaggeration is truth"—, 89 Gibran, 94 Sedan summers, 95 Colors.

BOOKS

THE END OF HONG KONG: The Secret Diplomacy of Imperial Retreat. By Robert Cottrell. 244 pages. £19.99. John Murray. Reviewed by Philip Bowring. Last, a book on Hong Kong which adds to the sum total of published knowledge. Robert Cottrell has produced an elegant but taut account of events leading to the 1984 signing of the Chinese-British Joint Declaration on the future of the territory. It skillfully weaves together published material from China as well as Hong Kong and Britain with unpublished accounts derived from Cottrell's contacts with British diplomats and senior Hong Kong officials.

This important book appears at a time when Chinese-British relations over Hong Kong are under severe strain. It is essential, but severe, reading not just for the specialist but for anyone who wants an understanding of the present situation over Hong Kong and the fears and dilemmas of those involved. Critics and supporters of Governor Chris Patten's policies will find material from the recent past to support their positions. Critics will find plenty of evidence of the obduracy of China once it had decided on a course of action. Beijing was clearly willing to risk the stability and prosperity of Hong Kong to ensure no only its return to Chinese sovereignty but to minimize its autonomy. Patten supporters will note that the first to recommend retreat in the face of Chinese obduracy were never those who most immediately had to deal with the consequences—the governor of the territory and his administration—but the chief Foreign Office mandarin, Sir Percy Cradock, who, as foreign affairs adviser to Prime Minister Margaret Thatcher, was the key figure in shaping London's policy. Hong Kongers of all persuasions will find plenty of evidence that they were constantly lied to by the British whose insistence on "confidentiality"—which Peking constantly flouted—was less motivated by diplomatic etiquette than a desire not to allow local opinions to upset pursuit of British interests. Indeed, it is clear from the book why so many in Hong Kong felt down by what followed the joint declaration and now either back Patten's modest reform program or have deep suspicion of all British motives. It is also clear why Beijing believes that Britain has gone back on implicit understandings. The aftermath of the joint declaration is dealt with in only one chapter. This is a pity because the test of the declaration must be whether it is working. Cottrell's evidence is mostly that it is not, but he fails to mention the airport issue and the 1991 Memorandum of Understanding signed by John Major in Beijing. These showed that the Chinese-British row is only marginally about constitutional change. The central issue is China's persistent contention that, whatever its promises of autonomy, sovereignty and administration are inseparable. Philip Bowring is a journalist based in Hong Kong.

AT&T advertisement with the headline "Speed up the approval process." and a list of international access numbers for various countries including Australia, Belgium, Canada, France, Germany, Italy, Japan, etc.